

1 Notwithstanding anything in the applicable Holder's Proof of Claim or otherwise to
 2 the contrary, the Holder of a Claim shall not be entitled to receive or recover a distribution
 3 under the Plan on account of a Claim in excess of the lesser of the amount: (a) stated in the
 4 Holder's Proof of Claim, if any, as of the Distribution Record Date, plus interest thereon to
 5 the extent provided for by the Plan; (b) if the Claim is denominated as contingent or
 6 unliquidated as of the Distribution Record Date, the amount that the Reorganized Debtors
 7 elect to withhold on account of such Claim in the Disputed Claims Reserve and set forth in
 8 the Plan Supplement, or such other amount as may be estimated by the Bankruptcy Court
 9 prior to the Confirmation Hearing; or (c) if a Claim has been estimated, the amount
 10 deposited in the Disputed Claim Reserve to satisfy such Claim after such estimation.

11 D. Delivery of Distributions

12 1. Record Date for Distributions: On the Distribution Record Date, the Claims
 13 Register shall be closed and any party responsible for making distributions shall be
 14 authorized and entitled to recognize only those record Holders listed on the Claims Register
 15 as of the close of business on the Distribution Record Date. Notwithstanding the foregoing,
 16 if a Claim is transferred twenty or fewer days before the Distribution Record Date, the
 17 Distribution Agent shall make distributions to the transferee only to the extent practical and
 18 in any event only if the relevant transfer form contains an unconditional and explicit
 19 certification and waiver of any objection to the transfer by the transferor.

20 2. Distribution Agent: The Distribution Agent shall make all distributions
 21 required under the Plan, except that distributions to Holders of Allowed Claims governed by
 22 a separate agreement and administered by a Servicer shall be deposited with the appropriate
 23 Servicer, at which time such distributions shall be deemed complete, and the Servicer shall
 24 deliver such distributions in accordance with the Plan and the terms of the governing
 25 agreement.

26 3. Delivery of Distributions in General: Except as otherwise provided in the
 27 Plan, and notwithstanding any authority to the contrary, distributions to Holders of Allowed
 28 Claims shall be made to Holders of record as of the Distribution Record Date by the
 Distribution Agent or a Servicer, as appropriate: (a) in accordance with Federal Rule of Civil
 Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (b) to the signatory
 set forth on any of the Proofs of Claim Filed by such Holder or other representative
 identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed
 or if the Debtors have been notified in writing of a change of address); (c) at the addresses
 set forth in any written notices of address changes delivered to the Distribution Agent after
 the date of any related Proof of Claim; (d) at the addresses reflected in the Schedules if no
 Proof of Claim has been Filed and the Distribution Agent has not received a written notice
 of a change of address; or (e) on any counsel that has appeared in the Chapter 11 Cases on
 the Holder's behalf. Except as otherwise provided in the Plan, distributions under the Plan
 on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like
 legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of
 the distributions in the manner set forth in the Plan. The Debtors, the First Lien Steering
 Committee, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not
 incur any liability whatsoever on account of any distributions under the Plan.

1 4. Accrual of Distributions and Other Rights: For purposes of determining the
 2 accrual of distributions or other rights after the Effective Date, the Newco Equity Interests
 3 and the Litigation Trust Interests, as applicable, shall be deemed distributed as of the
 4 Effective Date regardless of the date on which they are actually issued, dated, authenticated,
 5 or distributed even though the Reorganized Debtors shall not make any such distributions or
 6 distribute such other rights until distributions of the Newco Equity Interests and the
 7 Litigation Trust Interests, as applicable, actually take place.

8 5. Allocation Between Principal and Accrued Interest: Except as otherwise
 9 provided in the Plan, distributions on account of Allowed Claims shall be treated as
 10 allocated first to principal and thereafter to any interest.

11 6. Compliance Matters: In connection with the Plan, to the extent applicable,
 12 the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding
 13 and reporting requirements imposed on them by any Governmental Unit, and all
 14 distributions pursuant to the Plan shall be subject to such withholding and reporting
 15 requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized
 16 Debtors and the Distribution Agent shall be authorized to take all actions necessary or
 17 appropriate to comply with such withholding and reporting requirements, including
 18 liquidating a portion of the distribution to be made under the Plan to generate sufficient
 19 funds to pay applicable withholding taxes, withholding distributions pending receipt of
 20 information necessary to facilitate such distributions, or establishing any other mechanisms
 21 they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to
 22 allocate all distributions made under the Plan in compliance with all applicable wage
 23 garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

24 7. Fractional, De Minimis, Undeliverable, and Unclaimed Distributions:

25 a. Fractional Distributions: Notwithstanding any other provision of the
 26 Plan to the contrary, payments of fractions of shares of Newco Equity Interests or
 27 fractions of Litigation Trust Interests shall not be made. The Distribution Agent
 28 shall not be required to make distributions or payments of fractions of Newco Equity
 Interests, Litigation Trust Interests or dollars. Whenever any payment of Cash of a
 fraction of a dollar or payment of a fraction of Newco Equity Interests or fraction of
 Litigation Trust Interests pursuant to the Plan would otherwise be required, the actual
 payment shall reflect a rounding of such fraction to the nearest whole dollar (up or
 down), with half dollars, half Newco Equity Interests or half Litigation Trust
 Interests or less being rounded down.

29 b. Undeliverable Distributions: If any distribution to a Holder of an
 30 Allowed Claim is returned to a Distribution Agent as undeliverable, no further
 31 distributions shall be made to such Holder unless and until such Distribution Agent is
 32 notified in writing of such Holder's then-current address, at which time all currently
 33 due missed distributions shall be made to such Holder on the next Periodic
 34 Distribution Date. Undeliverable distributions shall remain in the possession of the
 35 Reorganized Debtors until such time as a distribution becomes deliverable, or such

1 distribution reverts to the Reorganized Debtors pursuant to Article VII.D.7.c, and
 2 shall not be supplemented with any interest, dividends, or other accruals of any kind.

3 c. Reversion: Any distribution under the Plan that is an Unclaimed
 4 Distribution for a period of six months after distribution shall be deemed unclaimed
 5 property under section 347(b) of the Bankruptcy Code and such Unclaimed
 6 Distribution shall vest in the Reorganized Debtors and, to the extent such
 7 Unclaimed Distribution is a distribution of Newco Equity Interests, such Newco
 8 Equity Interests shall be deemed cancelled. Upon such vesting, the Claim of any
 9 Holder or its successors with respect to such property shall be cancelled, discharged,
 10 and forever barred notwithstanding any applicable federal or state escheat,
 11 abandoned, or unclaimed property laws to the contrary. The provisions of the Plan
 12 regarding undeliverable distributions and Unclaimed Distributions shall apply with
 13 equal force to distributions that are issued by the Debtors, made pursuant to any
 14 indenture or Certificate (but only with respect to the initial distribution by the
 15 Servicer to Holders that are entitled to be recognized under the relevant indenture or
 16 Certificate and not with respect to Entities to whom those recognized Holders
 17 distribute), notwithstanding any provision in such indenture or Certificate to the
 18 contrary and notwithstanding any otherwise applicable federal or state escheat,
 19 abandoned, or unclaimed property law.

20 8. Manner of Payment Pursuant to the Plan: Any payment in Cash to be made
 21 pursuant to the Plan shall be made at the election of the Reorganized Debtors by check or by
 22 wire transfer. Checks issued by the Distribution Agent or applicable Servicer on account of
 23 Allowed Claims shall be null and void if not presented within 120 days after issuance, but
 24 may be requested to be reissued until the distribution vests in the Reorganized Debtors
 25 pursuant to Article VII.D.7.c.

26 9. Surrender of Cancelled Instruments or Securities: On the Effective Date or
 27 as soon as reasonably practicable thereafter, each Holder of a Certificate shall surrender
 28 such Certificate to the Distribution Agent or a Servicer (to the extent the relevant Claim or
 Interest is governed by an agreement and administered by a Servicer). Such Certificate shall
 be cancelled solely with respect to the Debtors, and such cancellation shall not alter the
 obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to
 such Certificate. No distribution of property pursuant to the Plan shall be made to or on
 behalf of any such Holder that is a Holder of a Claim unless and until such Certificate is
 received by the Distribution Agent or the Servicer or the unavailability of such Certificate is
 reasonably established to the satisfaction of the Distribution Agent or the Servicer. Any
 Holder of a Claim who fails to surrender or cause to be surrendered such Certificate or fails
 to execute and deliver an affidavit of loss and indemnity acceptable to the Distribution
 Agent or the Servicer prior to the first anniversary of the Effective Date, shall have its Claim
 discharged with no further action, be forever barred from asserting any such Claim against
 the relevant Reorganized Debtor or its property, be deemed to have forfeited all rights and
 Claims with respect to such Certificate, and not participate in any distribution under the
 Plan; furthermore, all property with respect to such forfeited distributions, including any
 dividends or interest attributable thereto, shall revert to the Reorganized Debtors,

1 notwithstanding any federal or state escheat, abandoned, or unclaimed property law to the
 2 contrary.

3 E. Claims Paid or Payable by Third Parties.

4 1. Claims Paid by Third Parties: The Claims and Solicitation Agent shall
 5 reduce in full a Claim, and such Claim shall be disallowed without a Claims objection
 6 having to be Filed and without any further notice to or action, order, or approval of the
 7 Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on
 8 account of such Claim from a party that is not a Debtor or Reorganized Debtor. Further, to
 9 the extent a Holder of a Claim receives a distribution on account of such Claim and receives
 10 payment from a party that is not a Debtor or a Reorganized Debtor on account of such
 11 Claim, such Holder shall, within two weeks of receipt thereof, repay or return the
 12 distribution to the applicable Reorganized Debtor, to the extent the Holder's total recovery
 13 on account of such Claim from the third party and under the Plan exceeds the amount of
 14 such Claim as of the date of any such distribution under the Plan. The failure of such Holder
 15 to timely repay or return such distribution shall result in the Holder owing the applicable
 16 Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed
 17 for each Business Day after the two-week grace period specified above until the amount is
 18 repaid.

19 2. Claims Payable by Insurance: Holders of Insured Claims that are covered by
 20 the Debtors' insurance policies shall seek payment of such Claims from applicable insurance
 21 policies, provided that the Reorganized Debtors shall have no obligation to pay any amounts
 22 in respect of pre-petition deductibles or self insured retention amounts. Allowed Insured
 23 Claim amounts in excess of available insurance shall be treated as General Unsecured
 24 Claims. No distributions under the Plan shall be made on account of an Allowed Claim that
 25 is payable pursuant to one of the Debtors' insurance policies until the Holder of such
 26 Allowed Claim has exhausted all remedies with respect to such insurance policy. To the
 27 extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the
 28 extent adjudicated by a court of competent jurisdiction), then immediately upon such
 29 insurers' agreement, such Claim may be expunged to the extent of any agreed upon
 30 satisfaction on the Claims Register by the Claims and Solicitation Agent without a Claims
 31 objection having to be Filed and without any further notice to or action, order, or approval of
 32 the Bankruptcy Court.

33 3. Applicability of Insurance Policies: Distributions to Holders of Allowed
 34 Claims shall be in accordance with the provisions of any applicable insurance policy.
 35 Except for Claims and Causes of Action released under the Plan to the Released Parties and
 36 Exculpated Parties, nothing contained in the Plan shall constitute or be deemed a waiver of
 37 any Cause of Action that the Debtors or any Entity may hold against any other Entity,
 38 including insurers under any policies of insurance, nor shall anything contained herein
 39 constitute or be deemed a waiver by such insurers of any defenses, including coverage
 40 defenses, held by such insurers.

41 F. Payment of \$1.5 Million to First Lien Lenders: The \$1,500,000 in Cash payable to
 42 the Holders of First Lien Lender Claims pursuant to Article III.B.1. shall be paid as follows:

1 (i) \$400,000 on the Effective Date and (ii) the remaining up to \$1,100,000 in five quarterly
 2 installments of \$220,000 beginning on the first day of the fourth month following the
 3 Effective Date; provided, that the Reorganized Debtors shall have the right to defer up to
 4 two quarterly payments, with such deferred amount(s) to be paid on the next quarterly
 5 payment date (and the amount scheduled to be paid on such quarterly payment date deferred
 6 for another quarter; provided that the full \$1.5 million payment shall be made to the Holders
 7 of First Lien Lender Claims within eighteen months of the Effective Date). Notwithstanding
 8 the foregoing, in the event that, as of the Effective Date, the debt on the Rhodes Ranch Golf
 9 Course has been refinanced on terms and conditions acceptable to the First Lien Steering
 10 Committee and the Reorganized Debtors have unrestricted cash of at least \$3.5 million (after
 11 taking into account any amounts required to be paid to reduce the amount of debt on the
 12 Rhodes Ranch Golf Course below \$5.9 million and without taking into consideration
 13 amounts that may have been borrowed under any exit facility unless such amounts were
 14 used to pay-down debt on the Rhodes Ranch Golf Course, in which case any amounts used
 15 to pay-down debt on the Rhodes Ranch Golf Course will be deemed to reduce unrestricted
 16 cash on a dollar for dollar basis), then the initial \$400,000 payment to the First Lien Lenders
 17 will be increased as follows: (i) if unrestricted cash (as calculated above) is equal to or
 18 greater than \$3.5 million but less than \$4.5 million, the \$400,000 payment shall be increased
 19 to \$700,000; (ii) if unrestricted cash (as calculated above) is equal to or greater than \$4.5
 20 million but less than \$5.5 million, the \$400,000 payment shall be increased to \$1,000,000;
 21 and (iii) if unrestricted cash (as calculated above) is equal to or greater than \$5.5 million, the
 22 \$400,000 payment shall be increased to \$1.5 million, in each case with the subsequent
 23 quarterly installments reduced by a corresponding amount to provide for equal payments
 24 over the payout periods discussed above. In no event shall the aggregate Cash payments to
 25 the First Lien Lenders exceed \$1.5 million.

26 G. General Unsecured Claims Purchase: The First Lien Lenders have agreed to use the
 27 aggregate \$1.5 million Cash payment provided to them under the Plan to acquire those
 28 General Unsecured Claims of the Creditors to be listed in a schedule to be included in the
 Plan Supplement (the “Claim Purchase Schedule”) to the extent such Claims remain
 outstanding as of the Effective Date; provided that (i) each Holder of a Claim so listed is the
 original Holder of such Claim and (ii) such Claim(s) is ultimately Allowed. The Claim
 Purchase Schedule shall delineate whether such Claims are Allowed or Disputed and Claims
 may be purchased only to the extent ultimately Allowed. Payments on account of the
 purchased Allowed Claims listed on the Claim Purchase Schedule shall be made on the
 same time frame as the First Lien Lenders receive their allocable Cash payments under
 Article VII.F of the Plan, with the First Lien Steering Committee determining the order in
 which Claims are purchased (which, in the first instance, shall be the order in which they are
 listed on the Claim Purchase Schedule). The First Lien Lenders reserve the right to modify
 the Claim Purchase Schedule prior to or subsequent to the Effective Date without further
 Court order; provided, that a Creditor may be removed from the Claim Purchase Schedule
 only to the extent that (i) its Claims are not ultimately Allowed, (ii) its Claims are subject to
 setoff; (iii) such Creditor sells its Claim to a party other than the First Lien Lenders pursuant
 to this Article VII.G of the Plan or (iv) the full \$1.5 million has been used to purchase other
 Allowed Claims on the Claim Purchase Schedule before such Creditor’s Claim is Allowed.
 The First Lien Lenders shall be subrogated to the rights of Creditors whose Claims are
 purchased hereunder and any distributions otherwise allocable to the Holders of Claims

1 purchased by the First Lien Lenders shall be distributed pro rata to the Holders of First Lien
2 Lender Claims. The Reorganized Debtors shall be authorized to make the foregoing
3 payments to the Creditors on the Claim Purchase Schedule on behalf of the First Lien
4 Lenders with a corresponding reduction in the \$1.5 million payable to the First Lien
5 Lenders. Under no circumstances shall the First Lien Lenders (either directly or through the
6 Reorganized Debtors) pay in excess of \$1.5 million in the aggregate for the Claims on the
7 Claim Purchase Schedule. The First Lien Steering Committee may, in its sole discretion
8 (but after consultation with the Debtors and the Creditors' Committee), add Claims to the
9 Claim Purchase Schedule at any time; provided that the amount to be paid for all such
10 Claims listed on the Claim Purchase Schedule does not exceed \$1.5 million in the aggregate
11 regardless of the total amount of Allowed Claims reflected on the Claim Purchase Schedule.
12 In the event that Allowed Claims in excess of \$1.5 million are listed on the Claim Purchase
13 Schedule, Holders of Claims listed on the Claim Purchase Schedule shall have the right to
accept or decline payment of less than 100 cents on account of their Claims from the First
Lien Lenders. No Creditor listed on the Claim Purchase Schedule shall receive in excess of
100 cents on the dollar for its Claim, and the Reorganized Debtors shall not pursue Claims
under Bankruptcy Code section 547 against any Creditor whose Claim is purchased in
accordance with this Article VII.G. The Plan shall serve as the notice of transfer of Claim
required under Bankruptcy Rule 3001(e). If no objections are received by the Voting
Deadline, the First Lien Lenders shall be authorized upon the Effective Date to effectuate
the foregoing Claim purchase transactions.

ARTICLE VIII.

EFFECT OF CONFIRMATION OF THE PLAN

16 A. Discharge of Claims and Termination of Interests: Pursuant to section 1141(d) of
17 the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the
18 distributions, rights, and treatment that are provided in the Plan shall be in complete
19 satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests,
20 and Causes of Action of any nature whatsoever, including any interest accrued on Claims or
21 Interests from and after the Petition Date, whether known or unknown, against, liabilities of,
22 Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or
23 properties, regardless of whether any property shall have been distributed or retained
24 pursuant to the Plan on account of such Claims and Interests, including demands, liabilities,
25 and Causes of Action that arose before the Effective Date, any liability (including
26 withdrawal liability) to the extent such Claims or Interests relate to services performed by
27 employees of the Debtors prior to the Effective Date and that arise from a termination of any
28 employee, regardless of whether such termination occurred prior to or after the Effective
Date, any contingent or non-contingent liability on account of representations or warranties
issued on or before the Effective Date, and all debts of the kind specified in sections 502(g),
502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim
or Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to
section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or
Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of
such a Claim or Interest has accepted the Plan. Any default by the Debtors with respect to
any Claim or Interest that existed immediately prior to or on account of the filing of the
Chapter 11 Cases shall be deemed Cured on the Effective Date. The Confirmation Order

1 shall be a judicial determination of the discharge of all Claims and Interests subject to the
 2 Effective Date occurring.

3 B. Subordinated Claims: The allowance, classification, and treatment of all Allowed
 4 Claims and Interests and the respective distributions and treatments under the Plan take into
 5 account and conform to the relative priority and rights of the Claims and Interests in each
 6 Class in connection with any contractual, legal, and equitable subordination rights relating
 7 thereto, whether arising under general principles of equitable subordination, section 510(b) of the
 8 Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Plan Proponent or Reorganized Debtors, as applicable, reserve the
 9 right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal,
 10 or equitable subordination relating thereto.

11 C. Compromise and Settlement of Claims and Controversies: Pursuant to section 363
 12 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions
 13 and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a
 14 good faith compromise of all Claims, Interests, and controversies relating to the contractual,
 15 legal, and subordination rights that a Holder of a Claim may have with respect to any
 16 Allowed Claim or Interest, or any distribution to be made on account of such an Allowed
 17 Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy
 18 Court's approval of the compromise or settlement of all such Claims, Interests, and
 19 controversies, as well as a finding by the Bankruptcy Court that such compromise or
 20 settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and
 21 Interests and is fair, equitable, and reasonable. In accordance with the provisions of the
 22 Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without
 23 any further notice to or action, order, or approval of the Bankruptcy Court, after the
 24 Effective Date, the Reorganized Debtors may compromise and settle Claims against them
 25 and Causes of Action against other Entities.

26 D. Releases by the Debtors of the Released Parties: Pursuant to section 1123(b) of
 27 the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the
 28 Plan Supplement, for good and valuable consideration, including the service of the
 Released Parties to facilitate the expeditious reorganization of the Debtors and the
 implementation of the restructuring contemplated by the Plan, on and after the
 Effective Date, the Released Parties are deemed released by the Debtors, the
 Reorganized Debtors, and the Estates from any and all Claims, obligations, rights,
 suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any
 derivative Claims asserted on behalf of the Debtors, taking place on or before the
 Effective Date, whether known or unknown, foreseen or unforeseen, existing or
 hereinafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized
 Debtors or the Estates would have been legally entitled to assert in their own right
 (whether individually or collectively) or on behalf of the Holder of any Claim or
 Interest or other Entity, based on or relating to, or in any manner arising from, in
 whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of
 the purchase or sale of any Security of the Debtors, the subject matter of, or the
 transactions or events giving rise to, any Claim or Interest that is treated in the Plan,
 the business or contractual arrangements between any Debtor and any of the Released

1 Parties, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases,
 2 the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or
 3 related agreements, instruments, or other documents, upon any other act or omission,
 4 transaction, agreement, event, or other occurrence taking place on or before the
 Effective Date.

5 **E. Releases by the Debtors of the Rhodes Entities:** The Rhodes Entities shall be
 6 deemed released from any and all Claims, obligations, rights, suits, damages, Causes of
 7 Action, remedies, and liabilities whatsoever arising under chapter 5 of the Bankruptcy
 8 Code with respect to transfers made by the Debtors to the Rhodes Entities during the 2
 years prior to the Petition Date; provided, however, that such release shall only apply
 to transfers expressly set forth in the Schedules as Filed with the Bankruptcy Court as
 of August 1, 2009 or as disclosed in Attachment B to the Mediation Term Sheet.

9 **F. Releases by First Lien Lenders of First Lien Lenders** Pursuant to Bankruptcy
 10 Rule 9019, and except as otherwise specifically provided in the Plan or the Plan
 11 Supplement, to the extent a First Lien Lender elects on its Ballot to release the First
 12 Lien Lenders in accordance with this Section VIII.F., for good and valuable
 13 consideration, on and after the Effective Date, each of the First Lien Lenders electing
 14 to grant this release, shall be deemed to release each of the other First Lien Lenders
 15 that has elected to grant this release and each of their affiliates from any and all
 16 Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities
 17 whatsoever, whether known or unknown, foreseen or unforeseen, existing or
 18 hereinafter arising, in law, equity, or otherwise, that such First Lien Lender would
 19 have been legally entitled to assert against any other First Lien Lender that elected to
 20 grant this release, based on or relating to, or in any manner arising from, in whole or
 21 in part, the First Lien Credit Agreement, the First Lien Lender Claims, any other
 22 claims arising under or related to the First Lien Credit Agreement, the Debtors, the
 23 Chapter 11 Cases, the subject matter of, or the transactions or events giving rise to any
 24 First Lien Lender Claim, the restructuring of the First Lien Lender Claims prior to or
 25 during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan
 26 and Disclosure Statement, or related agreements, instruments, or other documents,
 27 upon any other act or omission, transaction, agreement, event, or other occurrence
 28 taking place on or before the Effective Date; with such releases constituting an express
 waiver and relinquishment by each First Lien Lender electing to grant this release of
 any claims, whether known or unknown that such First Lien Lender may have under
 Section 1542 of the California Civil code or other analogous state or federal law related
 to the matters being released; provided, however, that Claims or liabilities arising out
 of or relating to any act or omission of any First Lien Lender or any of its affiliates that
 constitutes gross negligence or willful misconduct shall not be released.

29 **G. Exculpation:** Except as otherwise specifically provided in the Plan or Plan
 30 Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is
 31 hereby released and exculpated from any Claim, obligation, Cause of Action, or
 32 liability to one another or to any Exculpating Party for any Exculpated Claim, except
 33 for gross negligence, willful misconduct or fraud, but in all respects such Entities shall
 34 be entitled to reasonably rely upon the advice of counsel with respect to their duties

1 and responsibilities pursuant to the Plan. The Debtors, the First Lien Steering
 2 Committee and the Reorganized Debtors (and each of their respective agents,
 3 members, directors, officers, employees, advisors, and attorneys) have, and upon
 4 Confirmation of the Plan shall be deemed to have, participated in good faith and in
 5 compliance with the applicable provisions of the Bankruptcy Code with regard to the
 6 distributions of the Securities pursuant to the Plan, and therefore are not, and on
 7 account of such distributions shall not be, liable at any time for the violation of any
 8 applicable law, rule, or regulation governing the solicitation of acceptances or
 9 rejections of the Plan or such distributions made pursuant to the Plan.

10 **H. Injunction** Except as otherwise expressly provided in the Plan or for
 11 obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold
 12 Claims against the Debtors, and all Entities holding Interests, are permanently
 13 enjoined, from and after the Effective Date, from: (1) commencing or continuing in any
 14 manner any action or other proceeding of any kind against the Debtors or Reorganized
 15 Debtors on account of or in connection with or with respect to any such Claims or
 16 Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means
 17 any judgment, award, decree or order against the Debtors or Reorganized Debtors
 18 account of or in connection with or with respect to any such Claims or Interests;
 19 (3) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors
 20 or Reorganized Debtors or the property or estates of the Debtors or Reorganized
 21 Debtors on account of or in connection with or with respect to any such Claims or
 22 Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind
 23 against any obligation due from the Debtors or Reorganized Debtors or against the
 24 property or Estates of the Debtors or Reorganized Debtors on account of or in
 25 connection with or with respect to any such Claims or Interests unless such Holder has
 26 Filed a motion requesting the right to perform such setoff on or before the
 27 Confirmation Date, and notwithstanding an indication in a Proof of Claim or Interest
 28 or otherwise that such Holder asserts, has, or intends to preserve any right of setoff
 pursuant to section 553 of the Bankruptcy Code or otherwise (provided, that, to the
 extent the Rhodes Entities Claims are Allowed, the Rhodes Entities, without the need
 to file any such motion, shall retain the right to assert a setoff against any Claims or
 Causes of Action that the Reorganized Debtors or Litigation Trust may assert against
 the Rhodes Entities, with the Reorganized Debtors and Litigation Trust, as applicable,
 reserving the right to challenge the propriety of any such attempted setoff, with any
 such challenge to be resolved by the Bankruptcy Court); and (5) commencing or
 continuing in any manner any action or other proceeding of any kind on account of or
 in connection with or with respect to any such Claims or Interests released or settled
 pursuant to the Plan.

25 **I. Protection Against Discriminatory Treatment:** Consistent with section 525 of the
 26 Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including
 27 Governmental Units, shall not discriminate against the Reorganized Debtors or deny,
 28 revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar
 grant to, condition such a grant to, discriminate with respect to such a grant against, the
 Reorganized Debtors, or another Entity with whom such Reorganized Debtors have been
 associated, solely because one of the Debtors has been a debtor under chapter 11, has been

1 insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11
 2 Cases but before the Debtor is granted or denied a discharge) or has not paid a debt that is
 3 dischargeable in the Chapter 11 Cases.

4 J. Setoffs: Except as otherwise expressly provided for in the Plan, each Reorganized
 5 Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code),
 6 applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may setoff
 7 against any Allowed Claim and the distributions to be made pursuant to the Plan on account
 8 of such Allowed Claim (before any distribution is made on account of such Allowed Claim),
 9 any Claims, rights, and Causes of Action of any nature that such Debtor, Reorganized
 10 Debtor or the Litigation Trust, as applicable, may hold against the Holder of such Allowed
 11 Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not
 12 been otherwise compromised or settled on or prior to the Effective Date (whether pursuant
 13 to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff
 14 nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by
 15 such Reorganized Debtor or the Litigation Trust of any such Claims, rights, and Causes of
 16 Action that such Reorganized Debtor or the Litigation Trust may possess against such
 17 Holder. In no event shall any Holder of Claims be entitled to setoff any Claim against any
 18 Claim, right, or Cause of Action of the Debtor or Reorganized Debtor, as applicable, unless
 19 such Holder has Filed a motion with the Bankruptcy Court requesting the authority to
 20 perform such setoff on or before the Confirmation Date, and notwithstanding any indication
 21 in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any
 22 right of setoff pursuant to section 553 or otherwise; provided, however, that, to the extent
 23 the Rhodes Entities Claims are Allowed, the Rhodes Entities, without the need to file any
 24 such motion, shall retain the right to assert a setoff against any Claims or Causes of Action
 25 that the Reorganized Debtors or Litigation Trust may assert against the Rhodes Entities,
 26 with the Reorganized Debtors and Litigation Trust, as applicable, reserving the right to
 27 challenge the propriety of any such attempted setoff, with any such challenge to be resolved
 28 by the Bankruptcy Court.

19 K. Recoupment: In no event shall any Holder of Claims or Interests be entitled to
 20 recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or
 21 the Reorganized Debtors, as applicable, unless such Holder actually has performed such
 22 recoupment and provided notice thereof in writing to the Debtors and the First Lien Steering
 23 Committee on or before the Confirmation Date, notwithstanding any indication in any Proof
 24 of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any
 25 right of recoupment.

26 L. Release of Liens: Except as otherwise provided in the Plan or in any contract,
 27 instrument, release, or other agreement or document created pursuant to the Plan, on the
 28 Effective Date and concurrently with the applicable distributions made pursuant to the Plan,
 all mortgages, deeds of trust, Liens, pledges, or other security interests against any property
 of the Estates shall be fully released, and discharged, and all of the right, title, and interest of
 any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall
 revert to the Reorganized Debtors and their successors and assigns. Upon the Effective
 Date, the Confirmation Order shall be binding upon and govern the acts of all entities,
 including, without limitation, all filing agents, filing officers, title agents, title companies,

1 recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies,
 2 governmental departments, secretaries of state, federal and local officials, and all other
 3 persons and entities who may be required by operation of law, the duties of their office, or
 4 contract, to release any mortgages, deeds of trust, Liens, pledges or other security interests
 5 against any property of the Estates; and each of the foregoing persons and entities is hereby
 6 directed to accept for filing the Confirmation Order any and all of the documents and
 7 instruments necessary and appropriate to effectuate the discharge.
 8

9 M. Document Retention: On and after the Effective Date, the Reorganized Debtors
 10 may maintain documents in accordance with their current document retention policy, as may
 11 be altered, amended, modified, or supplemented by the Reorganized Debtors in the ordinary
 12 course of business. Copies of all Debtors' books and records shall be delivered to the
 13 Rhodes Entities at no cost to the Rhodes Entities on or prior to the Effective Date.
 14

15 N. Reimbursement or Contribution: If the Bankruptcy Court disallows a Claim for
 16 reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the
 17 Bankruptcy Code, then to the extent that such Claim is contingent as of the time of
 18 allowance or disallowance, such Claim shall be forever disallowed notwithstanding section
 19 502(j) of the Bankruptcy Code, unless prior to the Effective Date: (1) such Claim has been
 20 adjudicated as noncontingent or (2) the relevant Holder of a Claim has Filed a noncontingent
 21 Proof of Claim on account of such Claim and a Final Order has been entered determining
 22 such Claim as no longer contingent.
 23

ARTICLE IX.

ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

A. Professional Claims:

1. Final Fee Applications: All final requests for payment of Claims of a
 2 Professional shall be Filed no later than forty-five days after the Effective Date. After notice
 3 and a hearing in accordance with the procedures established by the Bankruptcy Code and
 4 prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be
 5 determined by the Bankruptcy Court.
 6

7. Payment of Interim Amounts: Except as otherwise provided in the Plan,
 8 Professionals shall be paid pursuant to the Interim Compensation Order.
 9

10. Reimbursable Expenses: The reasonable fees and expenses incurred by (i)
 11 the First Lien Agent, including its professionals, to the extent provided by the First Lien
 12 Credit Agreement, (ii) the Second Lien Agent, including its professionals, to the extent
 13 provided by the Second Lien Credit Agreement (only to the extent the Class of Second Lien
 14 Lender Claims votes in favor of the Plan), and (iii) the First Lien Steering Committee,
 15 including its professionals, in connection with the Chapter 11 Cases shall be paid by the
 16 Debtors or Reorganized Debtors, as applicable, within 15 days of receipt of an invoice from
 17 such parties or their advisors.
 18

19. Post-Effective Date Fees and Expenses: Except as otherwise specifically
 20 provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall, in the
 21

1 ordinary course of business and without any further notice to or action, order, or approval of
2 the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and
3 expenses related to implementation and Consummation incurred by the Reorganized
4 Debtors and First Lien Steering Committee. Upon the Effective Date, any requirement that
5 Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in
seeking retention or compensation for services rendered after such date shall terminate, and
the Reorganized Debtors may employ and pay any Professional in the ordinary course of
business without any further notice to or action, order, or approval of the Bankruptcy Court.

6 5. Substantial Contribution Compensation and Expenses: Except as otherwise
7 specifically provided in the Plan, any Entity who requests compensation or expense
8 reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to
9 sections 503(b)(3), (4), and (5) of the Bankruptcy Code must File an application and serve
10 such application on counsel for the Debtors or Reorganized Debtors, as applicable, and the
First Lien Steering Committee and the Creditors' Committee, and as otherwise required by
the Bankruptcy Court and the Bankruptcy Code on or before the Administrative Claim Bar
Date or be forever barred from seeking such compensation or expense reimbursement.

12 B. Other Administrative Claims: All requests for payment of an Administrative Claim
13 must be Filed with the Claims and Solicitation Agent and served upon counsel to the
14 Debtors or Reorganized Debtors, as applicable, and the First Lien Steering Committee on or
15 before the Administrative Claim Bar Date. Any request for payment of an Administrative
16 Claim that is not timely Filed and served shall be disallowed automatically without the need
17 for any objection by the Debtors, Reorganized Debtors, or the First Lien Steering
18 Committee. The Reorganized Debtors may settle and pay any Administrative Claim in the
19 ordinary course of business without any further notice to or action, order, or approval of the
20 Bankruptcy Court. In the event that any party with standing objects to an Administrative
21 Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative
22 Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim
23 need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

ARTICLE X.
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN

A. Conditions to Confirmation: The following are conditions precedent to Confirmation that must be satisfied or waived in accordance with Article X.C:

1. The Bankruptcy Court shall have approved the Disclosure Statement, in a manner acceptable to the Plan Proponent, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code.

26 2. The Confirmation Order shall be in form and substance acceptable to the Plan
Proponent.

27 3. The terms and conditions of employment or retention of any Persons
28 proposed to serve as officers or directors of Newco, including, without limitation, as to

1 compensation, shall be acceptable to the Plan Proponent and be set forth in the Plan
 2 Supplement.

3 4. Any disclosures made pursuant to 11 U.S.C. § 1129(a)(5) shall be acceptable
 4 to the Plan Proponent.

5 5. The most current version of the Plan Supplement and all of the schedules,
 6 documents, and exhibits contained therein (including the Newco Bylaws and the Newco
 7 Charter) shall have been Filed in form and substance acceptable to the Plan Proponent.

8 B. Conditions Precedent to the Effective Date: The following are conditions precedent
 9 to Consummation that must be satisfied or waived in accordance with Article X.C:

10 1. The Bankruptcy Court shall have authorized the assumption and rejection of
 11 executory contracts and unexpired leases by the Debtors as contemplated by Article V.

12 2. The Confirmation Order shall have become a Final Order in form and
 13 substance acceptable to the Plan Proponent.

14 3. The most current version of the Plan Supplement and all of the schedules,
 15 documents, and exhibits contained therein shall have been Filed in form and substance
 16 acceptable to the Plan Proponent.

17 4. The documents governing the New First Lien Notes, the Newco Charter, the
 18 Newco Bylaws and the Stockholders Agreement shall be in form and substance acceptable
 19 to the Plan Proponent.

20 5. The Confirmation Date shall have occurred.

21 6. The First Lien Steering Committee shall have designated and replaced each
 22 existing Qualified Employee of the Debtors with a new Qualified Employee for the
 23 Reorganized Debtors.

24 7. The debt outstanding on the Rhodes Ranch Golf Course shall be refinanced
 25 on terms and conditions acceptable to Rhodes and the First Lien Steering Committee.

26 8. Copies of all Debtors' books and records shall have been delivered to the
 27 Rhodes Entities at no cost to the Rhodes Entities.

28 9. The Arizona Assets shall have been transferred to the Rhodes Entities (or
 29 their designee) free and clear of all liens and claims pursuant to section 363(f) of the
 30 Bankruptcy Code on the Effective Date; provided, that the non-First Lien Lender/Second
 31 Lien Lender liens do not exceed \$60,000.

32 10. The Debtors shall have assumed and assigned all executory contracts and
 33 unexpired leases related solely to the Arizona Assets to the Rhodes Entities (or their
 34 designee), at no cost to the Debtors or the Reorganized Debtors, with all Cure costs
 35 associated therewith to be borne by the Rhodes Entities.

1 11. The tax structure set forth in Article IV.F shall be implemented.

2 12. The Rhodes Entities and First Lien Steering Committee shall have agreed on
3 the Golf Course Security Property.

4 13. The Rhodes Entities shall have performed all of their obligations under the
5 Plan including, without limitation, depositing \$3.5 million in Cash in an account designated
6 by the Debtors, with the consent of the First Lien Steering Committee, and transferred the
Rhodes Ranch Golf Course and related contracts and assets as required by Article IV.S. to
the Reorganized Debtors.

7 C. Waiver of Conditions Precedent: The First Lien Steering Committee may waive
8 any of the conditions to the Effective Date at any time, without any notice to parties in
interest and without any further notice to or action, order, or approval of the Bankruptcy
Court, and without any formal action other than proceeding to confirm or consummate the
Plan; provided, that the First Lien Steering Committee will not waive the conditions
precedent in items X.B.6 through 12 above if the Rhodes Entities shall have complied with
all of their obligations hereunder and in the Plan by the Effective Date (or such earlier date
specifically set forth herein). In the event the Rhodes Entities fail to comply with any of
their obligations under the Mediation Term Sheet or under the Plan by the Effective Date (or
such earlier date specifically set forth herein) and fail to cure such alleged breach within ten
(10) days' written notice to the Rhodes Entities, then the First Lien Steering Committee shall
be entitled to file a motion on at least seven (7) days notice to (i) determine that a breach has
occurred (except that the failure of the parties to agree on the refinancing of the Rhodes
Ranch Golf Course solely as a result of the First Lien Steering Committee acting
unreasonably or in bad faith shall not be deemed a failure of the Rhodes Entities to comply
with their obligations hereunder or under the Plan), and the Rhodes Entities reserve their
right to object to such motion; (ii) modify the Plan to remove any provisions hereof that
were included for the benefit of the Rhodes Entities; and (iii) consummate the Plan, as
modified. Upon entry of an order of the Bankruptcy Court finding a breach by the Rhodes
Entities and authorizing the modifications to the Plan to remove any provisions that were
included for the benefit of the Rhodes Entities, the First Lien Steering shall be authorized to
make such modifications and consummate the Plan.

21 D. Effect of Non-Occurrence of Conditions to Consummation: Each of the conditions
22 to Consummation must be satisfied or duly waived pursuant to Article X.C, and
Consummation must occur within 180 days of Confirmation, or by such later date
23 established by Bankruptcy Court order. If Consummation has not occurred within 180 days
of Confirmation, then upon motion by a party in interest made before Consummation and a
24 hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided,
however, that notwithstanding the Filing of such motion to vacate, the Confirmation Order
25 may not be vacated if Consummation occurs before the Bankruptcy Court enters an order
granting such motion. If the Confirmation Order is vacated pursuant to Article X.D. or
26 otherwise, then except as provided in any order of the Bankruptcy Court vacating the
Confirmation Order, the Plan will be null and void in all respects, including the discharge of
Claims and termination of Interests pursuant to the Plan and section 1141 of the Bankruptcy
27 Code and the assumptions, assignments, or rejections of executory contracts or unexpired
28 Contracts.

1 leases pursuant to Article V, and nothing contained in the Plan or Disclosure Statement
 2 shall: (1) constitute a waiver or release of any Claims, Interests, or Causes of Action; (2)
 3 prejudice in any manner the rights of the Debtors, the First Lien Steering Committee or any
 4 other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking of any
 5 sort by the Debtors, the First Lien Steering Committee or any other Entity.

6 E. Satisfaction of Conditions Precedent to Confirmation: Upon entry of a
 7 Confirmation Order acceptable to the Plan Proponent, each of the conditions precedent to
 8 Confirmation, as set forth in Article X.A, shall be deemed to have been satisfied or waived
 9 in accordance with the Plan.

ARTICLE XI.

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

1 A. Modification and Amendments: The First Lien Steering Committee shall not
 2 modify materially the terms of the Plan without the prior consent of the parties to the
 3 Mediation Term Sheet; provided, that in the event the Rhodes Entities fail to comply with
 4 any of their obligations under the Mediation Term Sheet or the Plan by the Effective Date
 5 (or such other date set forth herein) and fail to cure such alleged breach within ten (10) days'
 6 written notice to the Rhodes Entities, then the First Lien Steering Committee shall be
 7 entitled to file a motion on at least seven (7) days notice to (i) determine that a breach has
 8 occurred (except that the failure of the parties to agree on the refinancing of the Rhodes
 9 Ranch Golf Course solely as a result of the First Lien Steering Committee acting
 10 unreasonably or in bad faith shall not be deemed a failure of the Rhodes Entities to comply
 11 with their obligations hereunder or under the Plan), and the Rhodes Entities reserve their
 12 right to object to such motion; (ii) modify the Plan to remove any provisions hereof that
 13 were included for the benefit of the Rhodes Entities; and (iii) consummate the Plan, as
 14 modified. Upon entry of an order of the Bankruptcy Court finding a breach by the Rhodes
 15 Entities and authorizing the modifications to the Plan to remove any provisions that were
 16 included for the benefit of the Rhodes Entities, the First Lien Steering shall be authorized to
 17 make such modifications and consummate the Plan. Except as otherwise specifically
 18 provided in the Plan, the Plan Proponent reserves the right to modify the Plan and seek
 19 Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and
 20 requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019
 21 and those restrictions on modifications set forth in the Plan, the Plan Proponent expressly
 22 reserves its rights to revoke, withdraw, alter, amend, or modify materially the Plan with
 23 respect to any Debtor, one or more times, after Confirmation, and, to the extent necessary,
 24 may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or
 25 remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure
 26 Statement, or the Confirmation Order, in such matters as may be necessary to carry out the
 27 purposes and intent of the Plan. Any such modification or supplement shall be considered a
 28 modification of the Plan and shall be made in accordance with Article XI.A. Upon its
 Filing, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy
 Court or its designee during normal business hours, at the Bankruptcy Court's website at
<http://www.nvb.uscourts.gov>. The documents contained in the Plan Supplement are an
 integral part of the Plan and shall be approved by the Bankruptcy Court pursuant to the
 Confirmation Order.

1 B. Effect of Confirmation on Modifications: Entry of a Confirmation Order shall mean
 2 that all modifications or amendments to the Plan since the solicitation thereof are approved
 3 pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure
 4 or resolicitation under Bankruptcy Rule 3019.

5 C. Revocation or Withdrawal of Plan: The Plan Proponent reserves the right to revoke
 6 or withdraw the Plan prior to the Confirmation Date and to file subsequent plans of
 7 reorganization; provided, that, any subsequently filed plan shall be consistent with the
 8 Mediation Settlement unless the Rhodes Entities fail to comply with any of their obligations
 9 under the Mediation Term Sheet or the Plan by the Effective Date (or such other date set
 10 forth herein) and fail to cure such alleged breach within ten (10) days' written notice to the
 11 Rhodes Entities, in which case the First Lien Steering Committee shall be entitled to file a
 12 motion on at least seven (7) days notice to (i) determine that a breach has occurred (except
 13 that the failure of the parties to agree on the refinancing of the Rhodes Ranch Golf Course
 14 solely as a result of the First Lien Steering Committee acting unreasonably or in bad faith
 15 shall not be deemed a failure of the Rhodes Entities to comply with their obligations
 16 hereunder or under the Plan), and the Rhodes Entities reserve their right to object to such
 17 motion; (ii) revoke or withdraw the Plan as a result of such breach; and (iii) file a subsequent
 18 plan that removes the benefits provided to the Rhodes Entities pursuant to the Mediation
 19 Term Sheet. If the Plan Proponent revokes or withdraws the Plan, or if Confirmation or
 20 Consummation does not occur, then: (1) the Plan shall be null and void in all respects;
 21 (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to
 22 an amount certain of any Claim or Class of Claims), assumption or rejection of executory
 23 contracts or unexpired leases effected by the Plan, and any document or agreement executed
 24 pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan
 25 shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any
 26 manner the rights of the Plan Proponent or any other Entity; or (c) constitute an admission,
 27 acknowledgement, offer, or undertaking of any sort by the Plan Proponent or any other
 28 Entity.

ARTICLE XII.
 RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

1 2. Decide and resolve all matters related to the granting and denying, in whole
 2 or in part, of any applications for allowance of compensation or reimbursement of expenses
 3 to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

4 3. Resolve any matters related to: (a) the assumption, assumption and
 5 assignment, or rejection of any executory contract or unexpired lease to which a Debtor is
 6 party or with respect to which a Debtor may be liable and to hear, determine, and, if
 7 necessary, liquidate, any Cure or Claims arising therefrom, including Cure or Claims
 8 pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation
 9 under any executory contract or unexpired lease that is assumed; (c) the Reorganized
 10 Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to
 11 Article V, any executory contracts or unexpired leases to the list of executory contracts and
 12 unexpired leases to be assumed or rejected or otherwise; and (d) any dispute regarding
 13 whether a contract or lease is or was executory or expired;

14 4. Ensure that distributions to Holders of Allowed Claims are accomplished
 15 pursuant to the provisions of the Plan;

16 5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested
 17 or litigated matters, and any other matters, and grant or deny any applications involving a
 18 Debtor that may be pending on the Effective Date;

19 6. Adjudicate, decide, or resolve any and all matters related to Causes of
 20 Action;

21 7. Adjudicate, decide, or resolve any and all matters related to section 1141 of
 22 the Bankruptcy Code;

23 8. Enter and implement such orders as may be necessary or appropriate to
 24 execute, implement, or consummate the provisions of the Plan and all contracts, instruments,
 25 releases, indentures, and other agreements or documents created in connection with the Plan
 26 or the Disclosure Statement;

27 9. Enter and enforce any order for the sale of property pursuant to sections 363,
 28 1123, or 1146(a) of the Bankruptcy Code;

29 10. Resolve any cases, controversies, suits, disputes, or Causes of Action that
 30 may arise in connection with the Consummation, interpretation, or enforcement of the Plan
 31 or any Entity's obligations incurred in connection with the Plan;

32 11. Resolve any disputes with respect to the Debtors or Reorganized Debtors
 33 performance bonds guaranteed by the Rhodes Entities or other matters contemplated by
 34 Article IV.W.

35 12. Issue injunctions, enter and implement other orders, or take such other
 36 actions as may be necessary or appropriate to restrain interference by any Entity with
 37 Consummation or enforcement of the Plan;

1 13. Resolve any cases, controversies, suits, disputes, or Causes of Action with
2 respect to the releases, injunctions, and other provisions contained in Article VIII and enter
3 such orders as may be necessary or appropriate to implement such releases, injunctions, and
4 other provisions;

5 14. Resolve any cases, controversies, suits, disputes, or Causes of Action with
6 respect to the repayment or return of distributions and the recovery of additional amounts
7 owed by the Holder of a Claim for amounts not timely repaid pursuant to Article VII.E;

8 15. Enter and implement such orders as are necessary or appropriate if the
9 Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

10 16. Determine any other matters that may arise in connection with or related to
11 the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument,
12 release, indenture, or other agreement or document created in connection with the Plan or
13 the Disclosure Statement;

14 17. Enter an order or Final Decree concluding or closing the Chapter 11 Cases;

15 18. Adjudicate any and all disputes arising from or relating to distributions under
16 the Plan;

17 19. Consider any modifications of the Plan, to cure any defect or omission, or to
18 reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation
19 Order;

20 20. Determine requests for the payment of Claims entitled to priority pursuant to
21 section 507 of the Bankruptcy Code;

22 21. Hear and determine disputes arising in connection with the interpretation,
23 implementation, or enforcement of the Plan, or the Confirmation Order, including disputes
24 arising under agreements, documents, or instruments executed in connection with the Plan;

25 22. Hear and determine matters concerning state, local, and federal taxes in
26 accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

27 23. Hear and determine all disputes involving the existence, nature, or scope of
28 the Debtors' discharge, including any dispute relating to any liability arising out of the
termination of employment of any employee, regardless of whether such termination
occurred prior to or after the Effective Date;

29 24. Enforce all orders previously entered by the Bankruptcy Court; and

30 25. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect: Subject to Article X.B. and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan or herein, each Entity acquiring property under the Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors.

B. Additional Documents: On or before the Effective Date, the Plan Proponent may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, the First Lien Steering Committee and all Holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees: All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

D. Dissolution of Creditors' Committee: Upon the Effective Date, the Creditors' Committee shall dissolve automatically (except with respect to the resolution of applications for Professional Claims), and members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code.

E. Reservation of Rights: Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

F. Successors and Assigns: The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents:

1 1. After the Effective Date, any pleading, notice, or other document required by
 2 the Plan to be served on or delivered to the Reorganized Debtors shall be served on:
 3
 4
 5

Debtors	Counsel to the Debtors
The Rhodes Companies, LLC 4730 South Fort Apache Road Suite 300 Las Vegas, NV 89147	Pachulski Stang Ziehl & Jones LLP 10100 Santa Monica Boulevard #1100 Los Angeles, CA 90067 Attn: James I. Stang Shirley S. Cho Werner S. Disse Larson & Stephens 810 S. Casino Center Boulevard Suite 104 Las Vegas, NV 89101 Attn: Zachariah Larson
United States Trustee	Counsel to the First Lien Steering Committee
United States Trustee – LV-11 300 Las Vegas Boulevard S. Suite 4300 Las Vegas, NV 89101 Attn: Edward M. McDonald	Akin Gump Strauss Hauer & Feld One Bryant Park New York, NY 10036 Attn: Philip C. Dublin Abid Qureshi Kolesar & Leatham, Chtd. 3320 West Sahara Avenue Suite 380 Las Vegas, NV 89102 Attn: Nile Leatham
Counsel to the Creditors' Committee	Counsel to First Lien Agent
Parsons Behle & Latimer 201 S. Main St., Suite 1800 Salt Lake City, Utah 84111 Attn: J. Thomas Beckett Parsons Behle & Latimer 50 West Liberty Street, Suite 750 Reno, Nevada 89501 Attn: Rew Goodenow	Skadden, Arps, Slate, Meagher & Flom LLP 300 South Grand Avenue, Suite 3500 Los Angeles, CA 90071 Attn: Van C. Durrer II Ramon M. Naguiat

1 2. After the Effective Date, the Reorganized Debtors have authority to send a
 2 notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002,
 3 they must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002.
 4 After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities
 5 receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed
 6 such renewed requests.

7 3. In accordance with Bankruptcy Rules 2002 and 3020(c), within ten business
 8 days of the date of entry of the Confirmation Order, the Plan Proponent shall serve the
 9 Notice of Confirmation by United States mail, first class postage prepaid, by hand, or by
 10 overnight courier service to all parties having been served with the Confirmation Hearing
 11 Notice; provided, however, that no notice or service of any kind shall be required to be
 12 mailed or made upon any Entity to whom the Plan Proponent mailed a Confirmation
 13 Hearing Notice, but received such notice returned marked "undeliverable as addressed,"
 14 "moved, left no forwarding address" or "forwarding order expired," or similar reason, unless
 15 the Plan Proponent has been informed in writing by such Entity, or is otherwise aware, of
 16 that Entity's new address. To supplement the notice described in the preceding sentence,
 17 within twenty days of the date of the Confirmation Order, the First Lien Steering Committee
 18 shall publish the Notice of Confirmation once in the Vegas Sun. Mailing and publication of
 19 the Notice of Confirmation in the time and manner set forth in the this paragraph shall be
 20 good and sufficient notice under the particular circumstances and in accordance with the
 21 requirements of Bankruptcy Rules 2002 and 3020(c), and no further notice is necessary.

22 H. Term of Injunctions or Stays: Unless otherwise provided in the Plan or in the
 23 Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to
 24 sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and
 25 extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or
 26 the Confirmation Order) shall remain in full force and effect until the Effective Date. All
 27 injunctions or stays contained in the Plan or the Confirmation Order shall remain in full
 28 force and effect in accordance with their terms.

29 I. Entire Agreement: Except as otherwise indicated, the Plan and the Plan Supplement
 30 supersede all previous and contemporaneous negotiations, promises, covenants, agreements,
 31 understandings, and representations on such subjects, all of which have become merged and
 32 integrated into the Plan.

33 J. Governing Law: Unless a rule of law or procedure is supplied by federal law
 34 (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically
 35 stated, the laws of the State of Nevada, without giving effect to the principles of conflict of
 36 laws, shall govern the rights, obligations, construction, and implementation of the Plan, any
 37 agreements, documents, instruments, or contracts executed or entered into in connection
 38 with the Plan (except as otherwise set forth in those agreements, in which case the governing
 39 law of such agreement shall control), and corporate governance matters; provided, however,
 40 that corporate governance matters relating to the Debtors or Reorganized Debtors, as
 41 applicable, not incorporated or organized in Nevada shall be governed by the laws of the

1 state of incorporation or organization of the applicable Debtor or Reorganized Debtor, as
 2 applicable.

3 K. Exhibits: All exhibits and documents included in the Plan Supplement are
 4 incorporated into and are a part of the Plan as if set forth in full in the Plan. Except as
 5 otherwise provided in the Plan, such exhibits and documents included in the Plan
 6 Supplement shall be Filed with the Bankruptcy Court on or before the Plan Supplement
 7 Filing Date. After the exhibits and documents are Filed, copies of such exhibits and
 8 documents shall have been available upon written request to the First Lien Steering
 9 Committee's counsel at the address above or by downloading such exhibits and documents
 10 from the Bankruptcy Court's website at <http://www.nvb.uscourts.gov>. To the extent any
 11 exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by
 12 the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

13 L. Nonseverability of Plan Provisions: If, prior to Confirmation, any term or provision
 14 of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the
 15 Bankruptcy Court shall have the power to alter and interpret such term or provision to make
 16 it valid or enforceable to the maximum extent practicable, consistent with the original
 17 purpose of the term or provision held to be invalid, void, or unenforceable, and such term or
 18 provision shall then be applicable as altered or interpreted. Notwithstanding any such
 19 holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan
 20 will remain in full force and effect and will in no way be affected, impaired, or invalidated
 21 by such holding, alteration, or interpretation. The Confirmation Order shall constitute a
 22 judicial determination and shall provide that each term and provision of the Plan, as it may
 23 have been altered or interpreted in accordance with the foregoing, is: (1) valid and
 24 enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified
 25 without the Plan Proponent's consent; and (3) nonseverable and mutually dependent.

26 M. Closing of the Chapter 11 Cases: The Reorganized Debtors shall, promptly after the
 27 full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents
 28 required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to
 close the Chapter 11 Cases.

29 N. Waiver or Estoppel: Each Holder of a Claim or an Interest shall be deemed to have
 30 waived any right to assert any argument, including the right to argue that its Claim or
 31 Interest should be Allowed in a certain amount, in a certain priority, Secured or not
 32 subordinated by virtue of an agreement made with the Debtors or their counsel, the First
 33 Lien Steering Committee or its counsel, or any other Entity, if such agreement was not
 34 disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court
 35 prior to the Confirmation Date.

36 O. Conflicts: Except as set forth in the Plan, to the extent that any provision of the
 37 Disclosure Statement, the Plan Supplement, the Mediation Term Sheet or any order (other
 38 than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices,
 39 supplements, or amendments to any of the foregoing), conflict with or are in any way
 40 inconsistent with any provision of the Plan, the Plan shall govern and control.

1 Las Vegas, Nevada
2 Dated: October 27, 2009
3
4

FIRST LIEN STEERING COMMITTEE

5 By: /s/ Philip C. Dublin
6 Nile Leatham (NV Bar No. 002838)
7 KOLESAR & LEATHAM
8 Wells Fargo Financial Center
9 3320 W. Sahara Ave.
10 Las Vegas, NV 89102
11 (702) 979-2357 (Telephone)
12 (702) 362-9472 (Facsimile)
13 Nleatham@klnevada.com

14 AKIN GUMP STRAUSS HAUER & FELD LLP
15 Philip C. Dublin (NY Bar No, 2959344)
16 Abid Qureshi (NY Bar No. 2684637)
17 One Bryant Park
18 New York, New York 10036
19 (212) 872-1000 (Telephone)
20 (212) 872-1002 (Facsimile)
21 pdublin@akingump.com
22 aquireshi@akingump.com

23 *Counsel for the First Lien Steering Committee*

24 AKIN GUMP STRAUSS HAUER & FELD LLP
25 One Bryant Park
26 New York, New York 10036
27 Tel: 212.872.1000 Facsimile: 212.872.1002 / akingump.com

1 LIST OF EXHIBITS
2
3

<u>Exhibit</u>	<u>Description</u>
1 Mediation Term Sheet
2 Term Sheet for New First Lien Notes

AKIN GUMP STRAUSS HAUER & FELD LLP
One Bryant Park
New York, New York 10036
Tel: 212.872.1000 Facsimile: 212.872.1002 / akingump.com

EXHIBIT 1

EXHIBIT 1

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RHODES ENTITIES' MEDIATION SETTLEMENT PROPOSAL

Releases for Rhodes Entities:	The Rhodes Entities (as set forth on Attachment A) shall receive a full release for chapter 5 causes of action with respect to transfers made by the Debtors to the Rhodes Entities during the 2 years prior to the Petition Date provided, that, such release shall only apply to transfers expressly set forth in the Debtors' statements of financial affairs as filed with the Bankruptcy Court as of August 1, 2009 or as disclosed in Attachment B.
Releases for Debtors' officers, employees and professionals	To the extent permitted by applicable law, the Plan shall provide that, but for (i) the Rhodes Entities and their affiliates; (ii) insiders of any of the Rhodes Entities (except as to Thomas Robinson and Joseph Schramm who were also employees of the Debtors), (iii) relatives of James Rhodes, the Debtors' officers, employees (including Thomas Robinson and Joseph Schramm), and professionals, as of the Petition Date, and Paul Huygens shall receive a general release from the Debtors' estates.
Exculpation:	The Plan shall contain standard exculpation provisions.
Bond Replacement or Indemnification:	The Plan shall provide for one of the following: (i) those performance bonds guaranteed by the Rhodes Entities in favor of the Debtors to be replaced on a renewal date by new performance bonds or, in the alternative, (ii) subject to the Rhodes Entities being reasonably satisfied with the creditworthiness of the Reorganized Debtors, which shall be satisfied solely as of the Effective Date by the Court finding that the Plan is feasible, the existing performance bonds guaranteed by the Rhodes Entities and such guarantees to remain in place. The applicable Rhodes Entity's agreement to remain a guarantor under the existing performance bonds as such performance bonds may be renewed shall be at no cost to the Rhodes Entities (including, but not limited to, the payment of bond premiums). In the event the Reorganized Debtors fail to perform their obligations underlying such renewed performance bonds after the Effective Date, the Reorganized Debtors will indemnify the Rhodes Entities under such outstanding performance bonds for damages incurred by the Rhodes Entities on account of their guarantee of such performance bonds solely as a result of the Reorganized Debtors' failure to perform such obligations subsequent to the Effective Date. The Reorganized Debtors shall use commercially reasonable efforts to replace all outstanding performance bonds backstopped by Rhodes Entities within 30 months of the Effective Date. The Bankruptcy Court shall retain jurisdiction to resolve any disputes arising out of this paragraph.
HOA Board Seats:	The Rhodes Entities shall ensure that designees identified by the Reorganized Debtors shall replace the Rhodes Entities on any HOA Boards that in any way are related to the Debtors, Reorganized Debtors or their businesses and Declarant rights or the like shall be transferred to the Reorganized Debtors or their designee(s).
Licensing:	The Rhodes Entities shall take commercially reasonable steps and/or enter into any agreements or similar documentation reasonably necessary to ensure the Reorganized Debtors' continued use of all of the Debtors' applicable professional licenses at no cost to the Rhodes Entities for a period of up to twelve months following the Effective Date. Additionally, provided that the parties have executed this Mediation Settlement Term Sheet, Sagebrush Enterprises, Inc. shall rescind by September 25, 2009 its revocation of its indemnity of the Nevada Contractors' license held by Rhodes Design & Development Corporation to the extent such rescission does not negatively

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	<p>affect the general contractor's license held by Rhodes Design & Development Corporation provided that Sagebrush shall be entitled to file an administrative claim on behalf of any and all claims asserted against Sagebrush as a result of Sagebrush being the indemnitor that arose from and after the effectiveness of Sagebrush's rescission of its indemnity through the Effective Date, provided that the allowance of such administrative claim shall be subject to resolution by the Bankruptcy Court and/or such other court(s) of competent jurisdiction. The Reorganized Debtors shall indemnify Sagebrush for any and all claims asserted against Sagebrush as a result of Sagebrush being the indemnitor that arise from and after the Effective Date. Professional licenses include, but are not limited to the Nevada State Contractor's Board license, and any other general business or similar licenses in any county, state, municipality or other jurisdiction in which the Reorganized Debtors conduct business or own assets as of the Effective Date. The Rhodes Entities shall use commercially reasonable efforts to maintain third party agreements with their real estate brokers and sales agents.</p>
Rhodes Entities' Claim Treatment:	To the extent allowed, the Rhodes Entities' Claims shall be treated in the same class as and treated <i>pari passu</i> with General Unsecured Claims, excluding Trade Claims. The First Lien Steering Committee, any First Lien Lender and/or the Reorganized Debtors shall have until sixty days following the Effective Date to object to the proofs of claim filed by the Rhodes Entities in the Debtors' chapter 11 cases (provided, that, such objection shall not seek to subordinate the Rhodes Entities Claims, if allowed). Neither the Litigation Trust nor the Reorganized Debtors shall commence any litigation against the Rhodes Entities until the Bankruptcy Court rules on the allowance of the Rhodes Entities Claims set forth in such proofs of claim (for the avoidance of doubt, the First Lien Lenders are not bound by this provision). To the extent any statute of limitations to pursue any claims belonging to the Debtors against the Rhodes Entities would lapse, from execution of this term sheet and prior to the Bankruptcy Court's resolution of the allowance of the Rhodes Entities Claims, as set forth in filed proofs of claim, the Rhodes Entities shall be deemed to have consented to a tolling of the applicable statute of limitations until sixty days following the Bankruptcy Court's ruling on the allowance of the Rhodes Entities Claims.
Tax Treatment:	The Plan shall be structured in a tax efficient manner to the Rhodes Entities to effectuate the benefits set forth in item 4 on Attachment C; provided, that there shall be no adverse impact on the Reorganized Debtors or the First Lien Lenders. The Rhodes Entities and the First Lien Steering Committee shall agree on the structure necessary to implement the tax treatment on or before September 25, 2009.
Effective Date:	The Plan Effective Date shall occur no earlier than January 4, 2010.
Rhodes Ranch Golf Course:	The term Rhodes Ranch Golf Course, as referred to herein, shall mean the golf course situated within the Rhodes Ranch master-planned community located in the southwestern Las Vegas valley.
Conditions Precedent to Effective Date:	<ol style="list-style-type: none"> 1. The Bankruptcy Court shall have authorized the assumption and rejection of executory contracts and unexpired leases by the Debtors. 2. The Confirmation Order shall have become a Final Order in form and substance acceptable to the First Lien Steering Committee. 3. The most current version of the Plan Supplement and all of the schedules.

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	<p>documents, and exhibits contained therein shall have been Filed in form and substance acceptable to the First Lien Steering Committee.</p> <p>4. The documents governing the New First Lien Notes, the Newco Charter, the Newco Bylaws and the Stockholders Agreement shall be in form and substance acceptable to the First Lien Steering Committee.</p> <p>5. The Confirmation Date shall have occurred.</p> <p>6. The First Lien Steering Committee shall have designated and replaced each existing Qualified Employee with a new Qualified Employee.</p> <p>7. The current debt outstanding on the Rhodes Ranch Golf Course shall be refinanced on terms and conditions acceptable to Rhodes and the First Lien Steering Committee.</p> <p>8. Copies of all Debtors' books and records shall have been delivered to the Rhodes Entities at no cost to the Rhodes Entities.</p> <p>9. The Arizona Assets shall have been transferred to the Rhodes Entities (or their designee) free and clear of all liens and claims pursuant to section 363(f) of the Bankruptcy Code on the Effective Date provided, that the non-First Lien Lender/Second Lien Lender liens do not exceed \$60,000.</p> <p>10. The Debtors shall have assumed and assigned all executory contracts and unexpired leases related solely to the Arizona Assets to the Rhodes Entities (or their designee), at no cost to the Debtors or the Reorganized Debtors, with all Cure costs associated therewith to be borne by the Rhodes Entities.</p> <p>11. The Rhodes Entities and the First Lien Steering Committee shall have agreed on the structure necessary to implement the tax structure benefits set forth in Exhibit C.</p> <p>12. The Rhodes Entities and First Lien Steering Committee shall have agreed on the Golf Course Security Property.</p> <p>13. The Rhodes Entities shall have ensured that designees identified by the Reorganized Debtors shall have replaced the Rhodes Entities on any HOA Boards that in any way are related to the Debtors, Reorganized Debtors or their businesses and Declarant rights or the like shall be transferred to the Reorganized Debtors or their designee(s).</p> <p>14. The Rhodes Entities shall have performed all of their obligations under the Plan including, without limitation, depositing \$3.5 million in Cash in an account designated by the Debtors, with the consent of the First Lien Steering Committee and transferring the equity in the entity that owns the Rhodes Ranch Golf Course and related contracts and assets to the Reorganized Debtors pursuant to the terms of a stock transfer agreement in form and substance acceptable to the Rhodes Entities and the First Lien Steering Committee.</p> <p>15. All other customary Conditions Precedent to the Effective Date as determined by and acceptable to the First Lien Steering Committee, in its sole discretion.</p>
Waiver of Conditions Precedent	The First Lien Steering Committee may waive any of the conditions to the

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to the Effective Date	Effective Date at any time, without any notice to parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm or consummate the Plan; provided, that the First Lien Steering Committee will not waive the conditions precedent in items 6 through 12 above if the Rhodes Entities shall have complied with all of their obligations hereunder and in the Plan by the Effective Date (or such earlier date specifically set forth herein). In the event the Rhodes Entities fail to comply with any of their obligations hereunder or under the Plan by the Effective Date and fail to cure such alleged breach within ten (10) days' written notice to the Rhodes Entities, then the First Lien Steering Committee shall be entitled to file a motion on at least seven (7) days notice to (i) determine that a breach has occurred (except that the failure of the parties to agree on the refinancing of the Rhodes Ranch Golf Course solely as a result of the First Lien Steering Committee acting unreasonably or in bad faith shall not be deemed a failure of the Rhodes Entities to comply with their obligations hereunder or under the Plan), and the Rhodes Entities reserve their right to object to such motion; (ii) modify the Plan to remove any provisions hereof that were included for the benefit of the Rhodes Entities; and (iii) consummate the Plan, as modified. Upon entry of an order of the Bankruptcy Court finding a breach by the Rhodes Entities and authorizing the modifications to the Plan to remove any provisions that were included for the benefit of the Rhodes Entities, the First Lien Steering shall be authorized to make such modifications and consummate the Plan.
Modification of the Plan	The First Lien Steering Committee shall not modify materially the terms of the Plan without the prior consent of the parties to this term sheet so long as such parties have complied with all of their obligations hereunder and under the Plan by January 4, 2010 (or such other date specifically set forth herein).
Plan Support:	The Debtors and Rhodes Entities shall only support a plan of reorganization filed by the First Lien Steering Committee containing all of the provisions of this Mediation Settlement Term Sheet and consistent with the Plan to which this term sheet is an exhibit and will not file a competing plan of reorganization or support any other plan of reorganization filed in the Debtors' chapter 11 cases.
Golf Course Transfer:	<p>On the Effective Date, the applicable Rhodes Entities shall transfer their equity interests in the entity that owns the Rhodes Ranch Golf Course to the Reorganized Debtors (together with any equipment, golf carts, contracts or other assets determined by the First Lien Steering Committee to be necessary for the operation of the Rhodes Ranch Golf Course) pursuant to the terms of a stock transfer agreement in form and substance acceptable to the First Lien Steering Committee and Rhodes, subject to any outstanding debt on the Rhodes Ranch Golf Course. The stock transfer agreement shall contain representations by the Rhodes Entities that the entity that owns the Rhodes Ranch Golf Course does not have any liabilities other than ordinary course liabilities related to the Rhodes Ranch Golf Course and indemnification provisions in favor of the Reorganized Debtors by the Rhodes Entities for any non-ordinary course liabilities. In addition, prior to the deadline for filing objections to the Disclosure Statement, the Rhodes Entities shall provide the First Lien Steering Committee with a list of all liabilities of the entity that owns the Rhodes Ranch Golf Course, a lien analysis and copies of all contracts related to the Rhodes Ranch Golf Course and to which the entity that owns the Rhodes Ranch Golf Course is a party, each of which must be acceptable to the First Lien Steering Committee.</p> <p>The existing debt outstanding on the Rhodes Ranch Golf Course shall be</p>

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	<p>refinanced on or before the Effective Date, for a period of no less than twelve (12) months from the Effective Date, on terms and conditions acceptable to Rhodes and the First Lien Steering Committee. The parties will work together in good faith to refinance the existing debt. The Reorganized Debtors shall pay the reasonable costs and expenses associated with the refinancing; provided, that the terms of such refinancing are acceptable to the First Lien Steering Committee. The First Lien Steering Committee acknowledges that the loan documentation may provide that, upon the transfer of the Rhodes Ranch Golf Course to the Reorganized Debtors on the Effective Date, additional collateral from the Reorganized Debtors may be required. The Rhodes Entities shall transfer to the Reorganized Debtors on the Effective Date any contracts related to the operation of and revenue generated by any cell towers located on the property of the Rhodes Ranch Golf Course. Any funds received after July 31, 2009 from the Las Vegas Valley Water District or other similar entity as an incentive for converting the golf course from a green course to a desert course shall be used for operating expenses associated with the Rhodes Ranch Golf Course, with any excess to become property of the Reorganized Debtors on the Effective Date.</p> <p>Rhodes and/or his designee shall have the absolute right to repurchase the Rhodes Ranch Golf Course from the Reorganized Debtors at eight (8) years from the Effective Date for \$5.9 million in cash. The Reorganized Debtors may require Rhodes to purchase the Rhodes Ranch Golf Course any time between four (4) and eight (8) years from the Effective Date for \$5.9 million in cash provided that the Reorganized Debtors shall provide Rhodes with at least one year advance notice of its intent to sell the Rhodes Ranch Golf Course back to Rhodes. Such transfer shall occur on the applicable anniversary date of the Effective Date. For the avoidance of doubt, if the Reorganized Debtors put the Rhodes Ranch Golf Course to Rhodes in accordance with the terms hereof and Rhodes fails to comply with his obligation to purchase the Rhodes Ranch Golf Course, Rhodes shall be deemed to have forfeited his option to purchase the Rhodes Ranch Golf Course.</p> <p>On the Effective Date, Rhodes's obligations to comply with the repurchase shall be secured by either (i) \$500,000 in cash in an escrow account or (ii) property worth at least \$2 million (the "<u>Golf Course Security Property</u>"), with the value of such property to be agreed to by Rhodes and the First Lien Steering Committee or otherwise valued by an independent third party appraisal firm acceptable to both Rhodes and the First Lien Steering Committee (except Cushman Wakefield). In the event that Rhodes does not meet the repurchase request, provided that the Rhodes Ranch Golf Course is in the standard condition (defined below), then the Reorganized Debtors shall be entitled to liquidated damages in the form of security pledged (i.e., the \$500,000 or the Golf Course Security Property).</p> <p>So long as Rhodes has not defaulted on his obligation to repurchase the Rhodes Ranch Golf Course, Rhodes shall have the absolute and sole discretion to replace the Golf Course Security Property with \$500,000 in cash on 30 days written notice to the Reorganized Debtors. Upon deposit of the \$500,000 in cash, the Golf Course Security Property shall be released to Rhodes or his designee. Notwithstanding anything to the contrary contained herein, if the Rhodes Ranch Golf Course is not maintained with substantially the same performance and rating criteria at the time of the repurchase request as verified by an independent third party rating agency as it was on the Effective Date ("Standard Condition"), James Rhodes can (i) require the</p>
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	<p>Reorganized Debtors to cure any conditions to return the Rhodes Ranch Golf Course to its Standard Condition (provided, that the cost of such cure does not exceed \$500,000), or (ii) choose not to purchase the Rhodes Ranch Golf Course. Upon either the repurchase of the Rhodes Ranch Golf Course or the written decision to not repurchase the Rhodes Ranch Golf Course (in accordance with the preceding sentence), the Golf Course Security Property or the \$500,000 Cash (if not applied to the repurchase of the Rhodes Ranch Golf Course) shall be returned to Rhodes within 30 days.</p> <p>On the Effective Date, the Reorganized Debtors shall record a memorandum of agreement against the Rhodes Ranch Golf Course to evidence the above.</p>
Golf Course Audit:	During the period from September 1, 2009 through September 23, 2009, the Rhodes Entities shall provide access to the First Lien Steering Committee or its designee to undertake a financial and operational audit of the Rhodes Ranch Golf Course. The results of such audit must be acceptable to the First Lien Steering Committee in its sole discretion and evidence, among other things, that the financial performance of the Rhodes Ranch Golf Course is sufficient to pay operating expenses and service the debt on the Rhodes Ranch Golf Course without the need for additional liquidity.
Cash Payment:	The Rhodes Entities shall make a cash payment to the Reorganized Debtors of \$3.5 million in cash on the Effective Date.
Arizona:	<p>On the Effective Date, pursuant to an asset transfer agreement in form and substance acceptable to the First Lien Steering Committee and the Rhodes Entities, the Debtors shall transfer Pravada and the other Arizona assets set forth on Attachment D hereto, plus the Golden Valley Ranch tradename to the Rhodes Entities free and clear of all liens, claims and encumbrances pursuant to section 363(f) of the Bankruptcy Code; provided, that the non-First Lien Lender/Second Lien Lender liens do not exceed \$60,000; provided that such assets shall not include assets owned by Pinnacle Grading located in Arizona and related contracts associated with the assets. Debtors shall provide James Rhodes notice of any proposed sale of the Pinnacle assets, and James Rhodes shall be granted a right to bid on the sale of such assets within 10 days of such notice. Rhodes Entities shall permit storage of Pinnacle Grading equipment at current locations at no cost to the Reorganized Debtors for a period through six months following the Effective Date.</p> <p>All executory contracts and unexpired leases associated solely with Arizona shall be assumed and assigned to the Rhodes Entities (or their designee), at no cost to the Debtors or the Reorganized Debtors and all cure costs associated therewith shall be borne by the Rhodes Entities.</p>
Plan Filing:	The Debtors, the Rhodes Entities, the First Lien Steering Committee, the First Lien Agent, the Second Lien Agent and the Creditors Committee shall agree not to file a plan of reorganization until the earlier of (i) the date the parties agree on the terms of a plan of reorganization (and accompanying disclosure statement) or (ii) September 25, 2009.
Cash Collateral:	The First Lien Steering Committee, First Lien Agent and Second Lien Agent will agree to the continued use of cash collateral on existing terms and subject to an agreed upon budget, through January 11, 2010.

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Trademarks and Trade Names	Within the earlier of thirty (30) days following: (i) upon completion of the buildout of all of the Reorganized Debtors' homebuilding assets and inventory (regardless of when such assets and inventory were acquired), or (ii) bulk sale of the remaining inventory of the Reorganized Debtors, the Reorganized Debtors shall transfer to James Rhodes (or his designee) the trademarks and tradenames set forth on Attachment E.
Trade Claims Analysis	The First Lien Steering Committee, the Debtors and the Creditors Committee will agree, prior to the hearing on the Disclosure Statement, (i) which filed or scheduled claims shall be classified as Trade Claims and (ii) on a procedure for the reconciliation of Trade Claims. If the parties are unable to agree on (i) or (ii) above in advance of the Disclosure Statement hearing, the Bankruptcy Court shall resolve any disputes at the Disclosure Statement hearing.
Preference Claims Against Holders of Allowed Trade Claims	The Reorganized Debtors shall not seek to avoid prepetition transfers to holders of allowed Trade Claims under Bankruptcy Code section 547 to the extent the resulting claim from the avoidance of such a preferential transfer would likewise be an allowed Trade Claim.
Stanley Engineering	In the event the Stanley Engineering Litigation is resolved either by judgment or settlement in a manner favorable to the Reorganized Debtors and such resolution does not provide for cash consideration to be received by the Reorganized Debtors and Second Lien Lenders, the Reorganized Debtors and the Second Lien Agent shall engage in good faith negotiations to ensure that the Second Lien Lenders receive consideration equivalent to 50% of the net value of such resolution and to determine the timing of payment of any such consideration. In the event the Reorganized Debtors and the Second Lien Agent are unable to agree on the amount or form of such consideration, the parties will submit the matter to binding arbitration with the costs thereof to be split evenly among the Reorganized Debtors and the Second Lien Agent (with the costs of the Second Lien Agent to be reimbursed from the consideration to be distributed to the Second Lien Lenders on account of the Stanley Engineering Litigation)

Dated: September 25, 2009

APPROVED

By: 

Name: Paul D. Dickey

Title: Partner, Akerman Ginstrom Hause & Heller
Counsel to the First Lien Steering Committee, with
authority from each of the members thereof

APPROVED

By: _____

Name: _____

Title: _____

Counsel to Wells Fargo, N.A., as Agent for the Second
Lien Lenders

APPROVED

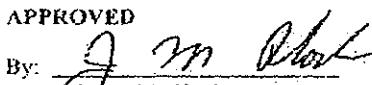
By: _____

Name: _____

Title: _____

Counsel to the Official Committee of
Unsecured Creditors

APPROVED

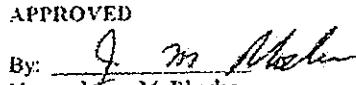
By: 

Name: James M. Rhodes

Title: President

The Rhodes Entities

APPROVED

By: 

Name: James M. Rhodes

Title: President

Debtors and Debtors-in-Possession

EXECUTION COPY

Trademarks and Trade Names	Within the earlier of thirty (30) days following: (i) upon completion of the buildup of all of the Reorganized Debtors' homebuilding assets and inventory (regardless of when such assets and inventory were acquired), or (ii) bulk sale of the remaining inventory of the Reorganized Debtors, the Reorganized Debtors shall transfer to James Rhodes (or his designee) the trademarks and tradenames set forth on Attachment E.
Trade Claims Analysis	The First Lien Steering Committee, the Debtors and the Creditors Committee will agree, prior to the hearing on the Disclosure Statement, (i) which filed or scheduled claims shall be classified as Trade Claims and (ii) on a procedure for the reconciliation of Trade Claims. If the parties are unable to agree on (i) or (ii) above in advance of the Disclosure Statement hearing, the Bankruptcy Court shall resolve any disputes at the Disclosure Statement hearing.
Preference Claims Against Holders of Allowed Trade Claims	The Reorganized Debtors shall not seek to avoid prepetition transfers to holders of allowed Trade Claims under Bankruptcy Code section 547 to the extent the resulting claim from the avoidance of such a preferential transfer would likewise be an allowed Trade Claim.
Stanley Engineering	In the event the Stanley Engineering Litigation is resolved either by judgment or settlement in a manner favorable to the Reorganized Debtors and such resolution does not provide for Cash consideration to be received by the Reorganized Debtors and Second Lien Lenders, the Reorganized Debtors and the Second Lien Agent shall engage in good faith negotiations to ensure that the Second Lien Lenders receive consideration equivalent to 50% of the net value of such resolution and to determine the timing of payment of any such consideration. In the event the Reorganized Debtors and the Second Lien Agent are unable to agree on the amount or form of such consideration, the parties will submit the matter to binding arbitration with the costs thereof to be split evenly among the Reorganized Debtors and the Second Lien Agent (with the costs of the Second Lien Agent to be reimbursed from the consideration to be distributed to the Second Lien Lenders on account of the Stanley Engineering Litigation)

Dated: September 25, 2009

APPROVED

By: _____
 Name: _____
 Title: _____

Counsel to the First Lien Steering Committee, with authority from each of the members thereof

APPROVED

By: _____
 Name: *Neil Sonnichsen*
 Title: *Counsel*
Counsel to Wells Fargo, N.A., as Agent for the Second Lien Lenders

APPROVED

By: _____
 Name: James M. Rhodes
 Title: President
The Rhodes Entities

APPROVED

By: _____
 Name: _____
 Title: _____
Counsel to the Official Committee of Unsecured Creditors

APPROVED

By: _____
 Name: James M. Rhodes
 Title: President
Debtors and Debtors-in-Possession

EXECUTION COPY

Trademarks and Trade Names	Within the earlier of thirty (30) days following: (i) upon completion of the buildup of all of the Reorganized Debtors' homebuilding assets and inventory (regardless of when such assets and inventory were acquired), or (ii) bulk sale of the remaining inventory of the Reorganized Debtors, the Reorganized Debtors shall transfer to James Rhodes (or his designee) the trademarks and tradenames set forth on Attachment E.
Trade Claims Analysis	The First Lien Steering Committee, the Debtors and the Creditors Committee will agree, prior to the hearing on the Disclosure Statement, (i) which filed or scheduled claims shall be classified as Trade Claims and (ii) on a procedure for the reconciliation of Trade Claims. If the parties are unable to agree on (i) or (ii) above in advance of the Disclosure Statement hearing, the Bankruptcy Court shall resolve any disputes at the Disclosure Statement hearing.
Preference Claims Against Holders of Allowed Trade Claims	The Reorganized Debtors shall not seek to avoid prepetition transfers to holders of allowed Trade Claims under Bankruptcy Code section 547 to the extent the resulting claim from the avoidance of such a preferential transfer would likewise be an allowed Trade Claim.
Stanley Engineering	In the event the Stanley Engineering Litigation is resolved either by judgment or settlement in a manner favorable to the Reorganized Debtors and such resolution does not provide for Cash consideration to be received by the Reorganized Debtors and Second Lien Lenders, the Reorganized Debtors and the Second Lien Agent shall engage in good faith negotiations to ensure that the Second Lien Lenders receive consideration equivalent to 50% of the net value of such resolution and to determine the timing of payment of any such consideration. In the event the Reorganized Debtors and the Second Lien Agent are unable to agree on the amount or form of such consideration, the parties will submit the matter to binding arbitration with the costs thereof to be split evenly among the Reorganized Debtors and the Second Lien Agent (with the costs of the Second Lien Agent to be reimbursed from the consideration to be distributed to the Second Lien Lenders on account of the Stanley Engineering Litigation)

Dated: September 25, 2009

APPROVED

By: _____

Name: *J. M. Rhodes*Title: *Partner, Rhodes & Rhodes, LLC & FBL LLP*
Counsel to the First Lien Steering Committee, with
authority from each of the members thereof

APPROVED

By: _____

Name: _____

Title: _____

Counsel to Wells Fargo, N.A., as Agent for the Second
Lien Lenders

APPROVED

By: _____

Name: James M. Rhodes

Title: President

The Rhodes Entities

APPROVED

By: _____

Name: *J. Thomas Becker*Title: *Shareholder, Persons, Beale & Becker*
Counsel to the Official Committee of
Unsecured Creditors

APPROVED

By: _____

Name: James M. Rhodes

Title: President

Debtors and Debtors-in-Possession

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ATTACHMENT A - RHODES ENTITIES

James M. Rhodes
Glynda Rhodes
John Rhodes
James M. Rhodes Dynasty Trust I
James M. Rhodes Dynasty Trust II
JMR Children's Irrevocable Educational Trust
Truckee Springs Holdings, Inc.
Sedora Holdings LLC
Gypsum Resources, LLC
Tulare Springs Holdings, Inc.
Escalante-Zion Investments, LLC
HH Trust
Harmony Homes, LLC
Tock, LP
Tapemeasure, LP
Joshua Choya, LLC
American Land Management, LLC
South Dakota Conservancy, LLC
Meridian Land Company, LLC
Yucca Land Company, LLC
Sagebrush Enterprises, Inc.
Rhodes Ranch, LLC
Westward Crossing, LLC
Pinnacle Equipment Rental, LLC
Desert Communities, Inc.
Spirit Underground, LLC

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Tropicana Durango Investments, Inc.
Tropicana Durango, Ltd. I
Dirt Investments, LLC
Underground Technologies, LLC
South Dakota Aggregate and Engineering, LLC
Freedom Underground, LLC
Jerico Trust
Canberra Holdings, LLC
Custom Quality Homes, LLC
Rhodes Ranch Golf, Inc.
ID Interior Design, LLC

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ATTACHMENT B

1. The following distributions were made and permitted pursuant to terms of Credit Agreement:

Date	Amount	Distribution Comments
4/17/2007	\$42,705	Heritage → Sedora
4/17/2007	\$707,295	Heritage → Sagebrush
5/4/2007	\$56,939	Heritage → Sedora
5/4/2007	\$943,061	Heritage → Sagebrush
TOTAL	\$1,750,000	

2. Transactions with Spirit Underground and Freedom Underground (as set forth below):

[ATTACHED]

Project Name		Project Description		Project Status		Project Lead		Project Resources		Project Timeline		Project Budget		Project Scope		Project Risk		Project Issues		Project Lessons Learned	
Project Alpha	Software Development	Planning	Planning	John Doe	John Doe	Resource A	Resource A	Resource B	Resource B	2023-01-01	2023-06-30	\$100,000	\$100,000	Scope A	Scope A	Medium	Medium	Issue A	Issue A	Lessons Learned A	Lessons Learned A
Project Beta	Infrastructure Upgrade	Planning	Planning	Jane Smith	Jane Smith	Resource C	Resource C	Resource D	Resource D	2023-01-01	2023-05-31	\$80,000	\$80,000	Scope B	Scope B	Medium	Medium	Issue B	Issue B	Lessons Learned B	Lessons Learned B
Project Gamma	Market Research	Planning	Planning	Mike Johnson	Mike Johnson	Resource E	Resource E	Resource F	Resource F	2023-01-01	2023-04-30	\$50,000	\$50,000	Scope G	Scope G	Medium	Medium	Issue C	Issue C	Lessons Learned C	Lessons Learned C
Project Delta	Product Launch	Planning	Planning	Sarah Lee	Sarah Lee	Resource H	Resource H	Resource I	Resource I	2023-01-01	2023-03-31	\$70,000	\$70,000	Scope J	Scope J	Medium	Medium	Issue D	Issue D	Lessons Learned D	Lessons Learned D
Project Epsilon	Customer Support	Planning	Planning	David White	David White	Resource K	Resource K	Resource L	Resource L	2023-01-01	2023-02-28	\$40,000	\$40,000	Scope M	Scope M	Medium	Medium	Issue E	Issue E	Lessons Learned E	Lessons Learned E
Project Zeta	System Migration	Planning	Planning	Emily Green	Emily Green	Resource N	Resource N	Resource O	Resource O	2023-01-01	2023-07-31	\$200,000	\$200,000	Scope P	Scope P	High	High	Issue F	Issue F	Lessons Learned F	Lessons Learned F
Project Eta	Strategic Planning	Planning	Planning	Chris Brown	Chris Brown	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2023-08-31	\$150,000	\$150,000	Scope S	Scope S	High	High	Issue G	Issue G	Lessons Learned G	Lessons Learned G
Project Theta	Market Expansion	Planning	Planning	Olivia White	Olivia White	Resource T	Resource T	Resource U	Resource U	2023-01-01	2023-09-30	\$90,000	\$90,000	Scope V	Scope V	Medium	Medium	Issue H	Issue H	Lessons Learned H	Lessons Learned H
Project Iota	Product Innovation	Planning	Planning	Benjamin Black	Benjamin Black	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2023-10-31	\$110,000	\$110,000	Scope Z	Scope Z	Medium	Medium	Issue I	Issue I	Lessons Learned I	Lessons Learned I
Project Kappa	Supply Chain Optimization	Planning	Planning	Alexander Green	Alexander Green	Resource A	Resource A	Resource B	Resource B	2023-01-01	2023-11-30	\$130,000	\$130,000	Scope A	Scope A	Medium	Medium	Issue J	Issue J	Lessons Learned J	Lessons Learned J
Project Lambda	Employee Training	Planning	Planning	Isabella Blue	Isabella Blue	Resource C	Resource C	Resource D	Resource D	2023-01-01	2023-12-31	\$60,000	\$60,000	Scope B	Scope B	Medium	Medium	Issue K	Issue K	Lessons Learned K	Lessons Learned K
Project Mu	Customer Experience	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource E	Resource E	Resource F	Resource F	2023-01-01	2024-01-31	\$170,000	\$170,000	Scope G	Scope G	High	High	Issue L	Issue L	Lessons Learned L	Lessons Learned L
Project Nu	Product Line Expansion	Planning	Planning	Matthew Black	Matthew Black	Resource H	Resource H	Resource I	Resource I	2023-01-01	2024-02-28	\$190,000	\$190,000	Scope J	Scope J	High	High	Issue M	Issue M	Lessons Learned M	Lessons Learned M
Project Xi	Market Research	Planning	Planning	Victoria Green	Victoria Green	Resource K	Resource K	Resource L	Resource L	2023-01-01	2024-03-31	\$80,000	\$80,000	Scope M	Scope M	Medium	Medium	Issue N	Issue N	Lessons Learned N	Lessons Learned N
Project Omicron	Product Launch	Planning	Planning	Christopher Blue	Christopher Blue	Resource N	Resource N	Resource O	Resource O	2023-01-01	2024-04-30	\$100,000	\$100,000	Scope P	Scope P	High	High	Issue O	Issue O	Lessons Learned O	Lessons Learned O
Project Pi	System Migration	Planning	Planning	Eliza Grey	Eliza Grey	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2024-05-31	\$120,000	\$120,000	Scope S	Scope S	High	High	Issue R	Issue R	Lessons Learned R	Lessons Learned R
Project Rho	Strategic Planning	Planning	Planning	Frederick Black	Frederick Black	Resource T	Resource T	Resource U	Resource U	2023-01-01	2024-06-30	\$140,000	\$140,000	Scope V	Scope V	High	High	Issue S	Issue S	Lessons Learned S	Lessons Learned S
Project Sigma	Market Expansion	Planning	Planning	Grace Green	Grace Green	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2024-07-31	\$160,000	\$160,000	Scope Z	Scope Z	High	High	Issue T	Issue T	Lessons Learned T	Lessons Learned T
Project Tau	Employee Training	Planning	Planning	Henry Black	Henry Black	Resource A	Resource A	Resource B	Resource B	2023-01-01	2024-08-31	\$90,000	\$90,000	Scope A	Scope A	Medium	Medium	Issue U	Issue U	Lessons Learned U	Lessons Learned U
Project Phi	Customer Experience	Planning	Planning	Isabella Grey	Isabella Grey	Resource C	Resource C	Resource D	Resource D	2023-01-01	2024-09-30	\$110,000	\$110,000	Scope B	Scope B	Medium	Medium	Issue V	Issue V	Lessons Learned V	Lessons Learned V
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Black	Charlotte Black	Resource E	Resource E	Resource F	Resource F	2023-01-01	2024-10-31	\$130,000	\$130,000	Scope G	Scope G	High	High	Issue W	Issue W	Lessons Learned W	Lessons Learned W
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource H	Resource H	Resource I	Resource I	2023-01-01	2024-11-30	\$150,000	\$150,000	Scope J	Scope J	High	High	Issue X	Issue X	Lessons Learned X	Lessons Learned X
Project Omega	Product Launch	Planning	Planning	Victoria Black	Victoria Black	Resource K	Resource K	Resource L	Resource L	2023-01-01	2024-12-31	\$170,000	\$170,000	Scope M	Scope M	High	High	Issue Y	Issue Y	Lessons Learned Y	Lessons Learned Y
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource N	Resource N	Resource O	Resource O	2023-01-01	2025-01-31	\$190,000	\$190,000	Scope P	Scope P	High	High	Issue Z	Issue Z	Lessons Learned Z	Lessons Learned Z
Project Rho	Strategic Planning	Planning	Planning	Eliza Black	Eliza Black	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2025-02-28	\$210,000	\$210,000	Scope S	Scope S	High	High	Issue AA	Issue AA	Lessons Learned AA	Lessons Learned AA
Project Sigma	Market Expansion	Planning	Planning	Frederick Grey	Frederick Grey	Resource T	Resource T	Resource U	Resource U	2023-01-01	2025-03-31	\$230,000	\$230,000	Scope V	Scope V	High	High	Issue BB	Issue BB	Lessons Learned BB	Lessons Learned BB
Project Tau	Employee Training	Planning	Planning	Grace Black	Grace Black	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2025-04-30	\$250,000	\$250,000	Scope Z	Scope Z	High	High	Issue CC	Issue CC	Lessons Learned CC	Lessons Learned CC
Project Phi	Customer Experience	Planning	Planning	Isabella Black	Isabella Black	Resource A	Resource A	Resource B	Resource B	2023-01-01	2025-05-31	\$270,000	\$270,000	Scope A	Scope A	Medium	Medium	Issue DD	Issue DD	Lessons Learned DD	Lessons Learned DD
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource C	Resource C	Resource D	Resource D	2023-01-01	2025-06-30	\$290,000	\$290,000	Scope B	Scope B	Medium	Medium	Issue EE	Issue EE	Lessons Learned EE	Lessons Learned EE
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource E	Resource E	Resource F	Resource F	2023-01-01	2025-07-31	\$310,000	\$310,000	Scope G	Scope G	High	High	Issue FF	Issue FF	Lessons Learned FF	Lessons Learned FF
Project Omega	Product Launch	Planning	Planning	Victoria Grey	Victoria Grey	Resource H	Resource H	Resource I	Resource I	2023-01-01	2025-08-31	\$330,000	\$330,000	Scope J	Scope J	High	High	Issue GG	Issue GG	Lessons Learned GG	Lessons Learned GG
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource K	Resource K	Resource L	Resource L	2023-01-01	2025-09-30	\$350,000	\$350,000	Scope M	Scope M	High	High	Issue HH	Issue HH	Lessons Learned HH	Lessons Learned HH
Project Rho	Strategic Planning	Planning	Planning	Eliza Grey	Eliza Grey	Resource N	Resource N	Resource O	Resource O	2023-01-01	2025-10-31	\$370,000	\$370,000	Scope P	Scope P	High	High	Issue II	Issue II	Lessons Learned II	Lessons Learned II
Project Sigma	Market Expansion	Planning	Planning	Frederick Grey	Frederick Grey	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2025-11-30	\$390,000	\$390,000	Scope S	Scope S	High	High	Issue JJ	Issue JJ	Lessons Learned JJ	Lessons Learned JJ
Project Tau	Employee Training	Planning	Planning	Grace Grey	Grace Grey	Resource T	Resource T	Resource U	Resource U	2023-01-01	2025-12-31	\$410,000	\$410,000	Scope V	Scope V	High	High	Issue KK	Issue KK	Lessons Learned KK	Lessons Learned KK
Project Phi	Customer Experience	Planning	Planning	Isabella Grey	Isabella Grey	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2026-01-31	\$430,000	\$430,000	Scope Z	Scope Z	High	High	Issue LL	Issue LL	Lessons Learned LL	Lessons Learned LL
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource A	Resource A	Resource B	Resource B	2023-01-01	2026-02-28	\$450,000	\$450,000	Scope A	Scope A	Medium	Medium	Issue MM	Issue MM	Lessons Learned MM	Lessons Learned MM
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource C	Resource C	Resource D	Resource D	2023-01-01	2026-03-31	\$470,000	\$470,000	Scope B	Scope B	Medium	Medium	Issue NN	Issue NN	Lessons Learned NN	Lessons Learned NN
Project Omega	Product Launch	Planning	Planning	Victoria Grey	Victoria Grey	Resource E	Resource E	Resource F	Resource F	2023-01-01	2026-04-30	\$490,000	\$490,000	Scope G	Scope G	High	High	Issue OO	Issue OO	Lessons Learned OO	Lessons Learned OO
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource H	Resource H	Resource I	Resource I	2023-01-01	2026-05-31	\$510,000	\$510,000	Scope J	Scope J	High	High	Issue PP	Issue PP	Lessons Learned PP	Lessons Learned PP
Project Rho	Strategic Planning	Planning	Planning	Eliza Grey	Eliza Grey	Resource K	Resource K	Resource L	Resource L	2023-01-01	2026-06-30	\$530,000	\$530,000	Scope M	Scope M	High	High	Issue QQ	Issue QQ	Lessons Learned QQ	Lessons Learned QQ
Project Sigma	Market Expansion	Planning	Planning	Frederick Grey	Frederick Grey	Resource N	Resource N	Resource O	Resource O	2023-01-01	2026-07-31	\$550,000	\$550,000	Scope P	Scope P	High	High	Issue RR	Issue RR	Lessons Learned RR	Lessons Learned RR
Project Tau	Employee Training	Planning	Planning	Grace Grey	Grace Grey	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2026-08-31	\$570,000	\$570,000	Scope S	Scope S	High	High	Issue SS	Issue SS	Lessons Learned SS	Lessons Learned SS
Project Phi	Customer Experience	Planning	Planning	Isabella Grey	Isabella Grey	Resource T	Resource T	Resource U	Resource U	2023-01-01	2026-09-30	\$590,000	\$590,000	Scope V	Scope V	High	High	Issue TT	Issue TT	Lessons Learned TT	Lessons Learned TT
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2026-10-31	\$610,000	\$610,000	Scope Z	Scope Z	High	High	Issue UU	Issue UU	Lessons Learned UU	Lessons Learned UU
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource A	Resource A	Resource B	Resource B	2023-01-01	2026-11-30	\$630,000	\$630,000	Scope A	Scope A	Medium	Medium	Issue VV	Issue VV	Lessons Learned VV	Lessons Learned VV
Project Omega	Product Launch	Planning	Planning	Victoria Grey	Victoria Grey	Resource C	Resource C	Resource D	Resource D	2023-01-01	2026-12-31	\$650,000	\$650,000	Scope B	Scope B	Medium	Medium	Issue WW	Issue WW	Lessons Learned WW	Lessons Learned WW
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource E	Resource E	Resource F	Resource F	2023-01-01	2027-01-31	\$670,000	\$670,000	Scope G	Scope G	High	High	Issue XX	Issue XX	Lessons Learned XX	Lessons Learned XX
Project Rho	Strategic Planning	Planning	Planning	Eliza Grey	Eliza Grey	Resource H	Resource H	Resource I	Resource I	2023-01-01	2027-02-28	\$690,000	\$690,000	Scope J	Scope J	High	High	Issue YY	Issue YY	Lessons Learned YY	Lessons Learned YY
Project Sigma	Market Expansion	Planning	Planning	Frederick Grey	Frederick Grey	Resource K	Resource K	Resource L	Resource L	2023-01-01	2027-03-31	\$710,000	\$710,000	Scope M	Scope M	High	High	Issue ZZ	Issue ZZ	Lessons Learned ZZ	Lessons Learned ZZ
Project Tau	Employee Training	Planning	Planning	Grace Grey	Grace Grey	Resource N	Resource N	Resource O	Resource O	2023-01-01	2027-04-30	\$730,000	\$730,000	Scope P	Scope P	High	High	Issue AA	Issue AA	Lessons Learned AA	Lessons Learned AA
Project Phi	Customer Experience	Planning	Planning	Isabella Grey	Isabella Grey	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2027-05-31	\$750,000	\$750,000	Scope S	Scope S	High	High	Issue BB	Issue BB	Lessons Learned BB	Lessons Learned BB
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource T	Resource T	Resource U	Resource U	2023-01-01	2027-06-30	\$770,000	\$770,000	Scope V	Scope V	High	High	Issue CC	Issue CC	Lessons Learned CC	Lessons Learned CC
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2027-07-31	\$790,000	\$790,000	Scope Z	Scope Z	High	High	Issue DD	Issue DD	Lessons Learned DD	Lessons Learned DD
Project Omega	Product Launch	Planning	Planning	Victoria Grey	Victoria Grey	Resource A	Resource A	Resource B	Resource B	2023-01-01	2027-08-31	\$810,000	\$810,000	Scope A	Scope A	Medium	Medium	Issue EE	Issue EE	Lessons Learned EE	Lessons Learned EE
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource C	Resource C	Resource D	Resource D	2023-01-01	2027-09-30	\$830,000	\$830,000	Scope B	Scope B	Medium	Medium	Issue FF	Issue FF	Lessons Learned FF	Lessons Learned FF
Project Rho	Strategic Planning	Planning	Planning	Eliza Grey	Eliza Grey	Resource E	Resource E	Resource F	Resource F	2023-01-01	2027-10-31	\$850,000	\$850,000	Scope G	Scope G	High	High	Issue GG	Issue GG	Lessons Learned GG	Lessons Learned GG
Project Sigma	Market Expansion	Planning	Planning	Frederick Grey	Frederick Grey	Resource H	Resource H	Resource I	Resource I	2023-01-01	2027-11-30	\$870,000	\$870,000	Scope J	Scope J	High	High	Issue HH	Issue HH	Lessons Learned HH	Lessons Learned HH
Project Tau	Employee Training	Planning	Planning	Grace Grey	Grace Grey	Resource K	Resource K	Resource L	Resource L	2023-01-01	2027-12-31	\$890,000	\$890,000	Scope M	Scope M	High	High	Issue II	Issue II	Lessons Learned II	Lessons Learned II
Project Phi	Customer Experience	Planning	Planning	Isabella Grey	Isabella Grey	Resource N	Resource N	Resource O	Resource O	2023-01-01	2028-01-31	\$910,000	\$910,000	Scope P	Scope P	High	High	Issue JJ	Issue JJ	Lessons Learned JJ	Lessons Learned JJ
Project Chi	Product Line Expansion	Planning	Planning	Charlotte Grey	Charlotte Grey	Resource Q	Resource Q	Resource R	Resource R	2023-01-01	2028-02-28	\$930,000	\$930,000	Scope S	Scope S	High	High	Issue KK	Issue KK	Lessons Learned KK	Lessons Learned KK
Project Psi	Market Research	Planning	Planning	Matthew Grey	Matthew Grey	Resource T	Resource T	Resource U	Resource U	2023-01-01	2028-03-31	\$950,000	\$950,000	Scope V	Scope V	High	High	Issue LL	Issue LL	Lessons Learned LL	Lessons Learned LL
Project Omega	Product Launch	Planning	Planning	Victoria Grey	Victoria Grey	Resource X	Resource X	Resource Y	Resource Y	2023-01-01	2028-04-30	\$970,000	\$970,000	Scope Z	Scope Z	High	High	Issue MM	Issue MM	Lessons Learned MM	Lessons Learned MM
Project Epsilon	System Migration	Planning	Planning	Christopher Grey	Christopher Grey	Resource A	Resource A	Resource B	Resource B	2023-01-01											

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ATTACHMENT C

1. The lenders would form a new entity ("Newco"). Newco would be either a corporation or a limited liability company. The First Lien loans would be deemed contributed to Newco.
2. Newco would purchase all of the interests in Heritage from its members for \$10.00.
3. Revenue Ruling 99-6 provides that on a sale of all of the interests of a partnership for tax purposes (which would include a limited liability company), the sellers are treated as selling "partnership interests". On the other hand, the buyer is deemed to be buying the assets of the partnership. As a result, from the Heritage members' perspective they would be treated as selling all of the interests in Heritage. Newco would be treated for federal income tax purposes as purchasing the 99% partnership interests in each of the limited partnerships held by Heritage and the 1% partnership interest held by Truckee Springs. Further, assuming that the general partner of each of the limited partnerships in turn sells its general partnership interests to Newco, Newco would be deemed to have owned the real estate owned by the limited partnerships (since each of the partnerships would have terminated for federal income tax purposes). At that point Newco would own all of the real estate.
4. For federal income tax purposes, each Heritage member would have a gain equal to the excess of the liabilities of Heritage allocable to such member (which the transaction relieves the member of) minus the member's tax basis in its Heritage interest. This gain would be treated as long-term capital gain (except to the extent Heritage holds, directly or indirectly, assets subject to Section 751 of the Code, generally inventory or receivables arising from the sale of inventory).
5. Therefore, contemporaneous with or subsequent to Newco's purchase of the Heritage membership interests, The Rhodes Companies, LLC - the general partner of each of Tick, LP; Glynda, LP; Jackknife, LP; LP; Batcave, LP; Overflow, LP; Wallboard, LP; and Chalkline, LP, -- shall sell its general partnership interests in such entities to Newco for \$1.00. Alternatively, the membership interest in The Rhodes Companies, LLC may be acquired from its sole member - Sagebrush Enterprises, Inc. - in consideration for release of its obligations under the First Lien Lender Claims.
6. Newco's members may agree to continue Newco as an LLC, file a check the box election effective the day after the Effective Date to treat Newco as a corporation for tax purposes, or convert into a corporation as of the day after the Effective Date.
7. The holders of the Heritage membership interests and Newco will report the sale and purchase of the Heritage membership interests in accordance with Revenue Ruling 99-6, 1999-1 CB 432.

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ATTACHMENT D - ARIZONA

RHODES ARIZONA PROPERTIES

OWNER	APN	ACREAGE	ADDRESS	TYPE
RHODES ARIZONA PROPERTIES LLC	306-24-115	20.25	1825 S AZTEC RD	Model Home
RHODES ARIZONA PROPERTIES LLC	306-24-116	20.24	1807 AZTEC RD	Model Home
RHODES ARIZONA PROPERTIES LLC	306-63-017	7.35	4536 W DORA DR	Model Home
RHODES ARIZONA PROPERTIES LLC	306-63-018	6.83	4528 W DORA DR	Model Home
RHODES ARIZONA PROPERTIES LLC	306-42-008A	19.92	1156 S AZTEC RD	Dirt
RHODES ARIZONA PROPERTIES LLC	306-42-001	40	1094 S AZTEC RD	Dirt

Total Acreage 114.59

Inside Pravada				
OWNER	APN	ACREAGE	ADDRESS	TYPE
Rhodes Arizona Properties	215-01-116			Partially Graded
Rhodes Arizona Properties	215-01-113			Partially Graded
Rhodes Arizona Properties	215-01-114			Partially Graded
Rhodes Arizona Properties	215-01-111			Partially Graded

Total Acreage 1,306±

Arizona Personal Property

Computers

HP 5150
 HP 5150
 HP 5150
 HP WX4400
 HP WX4400
 HP XW4200
 Dell

Serial Number
 2UA6030J6N
 MXL615027R
 2UA6030J57
 2UA70608F7
 2UA70608HV
 2UA54215GL
 GZOGR61

Laptops

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HPNX6125	CND54803LY
HPNX9600	CNF6071GBR

Printers

HP Laser Jet 4250	CNBXD06564
HP Laser Jet 4101	USLGY26030
HP Laser Jet 4100	USLGY42771
HP Laser Jet 1320	CNHC620168
HP color Laser Jet 2600	CNGC64C1KC
HP color Laser Jet 2804	JPBG532058
HP color Laser Jet 5550	JPDC4D2072
HP office jet 6310	CN639BGOYK
HP Photosmart D5160	MY67G110DC
Lexmark 7001-001	890CSTB
Lexmark 7001-001	890CD3N
Super G3 Printer-Scanner	J8141101150

Fax Machines

2 - HP office jets 7310

6 of the printers and the fax machines have copier capabilities

Miscellaneous Equipment

Dell Power Edge Server 2850	85172579422
HP Design Jet 1055CM Plus Plotter	
10 Battery Surge boxes and 10 power strips	
11 -computer monitors 20" flat screen	
4 calculators	
14 telephone owned by Rhodes	

Office Furniture

2 - drafting tables	
3 - work tables with open shelves for plans	
12 - file cabinets	
2 - 5 drawer 63 x 18	
1 - 3 drawer 36 x 20	
7 - 4 drawer 18 x 48	
2 - 4 drawer 20 x 48	
2 - 3 shelf wood bookcases	
4 - 4 shelf bookcases: (2) metal (2) wood	
1 - hanging file for plans	
1 - metal storage cabinet, 2-door, 4 shelves	
2- wooden storage cabinets 2-door, 1 shelf	
11 - desks: (1) metal (10) wood	
12 - desk chairs	
12 - guest chairs	
5 - stacking chairs	
1 - 4 x 6 rotating white board	
1 - garbage can	

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10 - waste baskets
3 - 6 foot tables
2 - metal storage shelves- dimensions 5'h x 3'w x 18.5"d
2 - plastic storage shelves- dimensions 6'h x 3'W x 18" d

Executory Contracts and Unexpired Leases

To be provided by Plan Supplement Date but shall include, but not be limited to all development agreements and subcontractor agreements

Trademarks and Tradenames

Rhodes Arizona Properties
Rhodes Arizona
Golden Valley Ranch
Pravada

Intangibles

All architectural and engineering drawings, plus work product associated with Pravada and Golden Valley Ranch.

All agreements with municipalities and utilities with respect to Pravada and Golden Valley Ranch.
Arizona general contractor's license.

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ATTACHMENT E – TRADENAMES/TRADEMARKS

All Rhodes Lead Home!
Rhodes Homes
R (logo)
R (logo) Rhodes Homes (owned by Rhodes Homes, Inc.)
RhodeMaster

EXHIBIT 2

EXHIBIT 2

EXHIBIT 2

Summary of Terms and Conditions ("Term Sheet") for \$50 Million New First Lien Notes ("New First Lien Notes")

TERMS

Borrowers:	Newco, Heritage Land Company, LLC; The Rhodes Companies, LLC; Rhodes Ranch General Partnership; Tick, LP; Glynda, LP; Chalkline, LP; Batcave, LP; Jackknife, LP; Wallboard, LP; Overflow, LP; Rhodes Ranch Golf and Country Club; Tuscany Acquisitions, LLC; Tuscany Acquisitions II, LLC; Tuscany Acquisitions III, LLC; Tuscany Acquisitions IV, LLC; Parcel 20 LLC; Rhodes Design and Development Corp.; C&J Holdings, Inc.; Rhodes Realty, Inc.; Jarupa LLC; Elkhorn Investments, Inc.; Rhodes Homes Arizona, LLC; Rhodes Arizona Properties, LLC; Tribes Holdings LLC; Six Feathers Holdings, LLC; Elkhorn Partners, A Nevada Limited Partnership; Bravo Inc.; Gung-Ho Concrete, LLC; Geronimo Plumbing, LLC; Apache Framing, LLC; Tuscany Golf Country Club, LLC; and Pinnacle Grading, LLC, each as may be reorganized pursuant to a joint plan of reorganization to be proposed by the First Lien Steering Committee.
New First Lien Notes:	\$50 million in first lien secured notes. Once repaid, the New First Lien Notes may not be reborrowed.
Guarantors:	All of the Borrowers.
Agent:	To be determined ("Agent").
Lenders:	The lenders ("Lenders") under the first lien Credit Agreement dated as of November 21, 2005 (as may have been amended from time to time) among Heritage Land Company, LLC, The Rhodes Companies, LLC, and Rhodes Ranch General Partnership, as the Borrowers, the Lenders Listed Therein as Lenders, and Credit Suisse, Cayman Islands Branch, as Administrative Agent, Collateral Agent, Syndication Agent, Sole Bookrunner and Sole Lead Arranger, and the other loan documents (as defined in the First Lien Credit Agreement) (as may have been amended from time to time, the "Existing Credit Facility").
Maturity Date:	The date that is the sixth anniversary of the Effective Date ("Maturity Date").
Purpose:	To refinance a portion of the Existing Credit Facility and satisfy a portion of the Lenders' claims under the Existing Credit Facility.
Security:	The New First Lien Notes and all guarantees thereof will be secured by first priority perfected liens on substantially all existing and after acquired property of the Borrowers.
Interest Rate:	<u>"Cash Pay Rate"</u> : LIBOR plus 2.00% per annum; or

“PIK Rate”: LIBOR plus 5.00% per annum.

Interest Payments: Interest on the New First Lien Notes shall be payable in Cash quarterly in arrears at the Cash pay rate of LIBOR +2%; provided that if the average of the Reorganized Debtors’ unrestricted consolidated Cash as of the last day of each of the two immediately preceding consecutive quarters is less than \$15 million or if the unrestricted consolidated Cash as of the last day of the immediately preceding quarter is less than \$15 million (collectively, the “Cash Interest Threshold”), then the Reorganized Debtors shall have the option to capitalize the amount of interest due in excess of LIBOR for the immediately preceding quarter, with such capitalized interest to be capitalized on such interest payment date, and all such capitalized interest shall be due on the next interest payment date to the extent the Cash Interest Threshold is met after giving effect to the payment of interest and capitalized interest or as the Reorganized Debtors otherwise elect. All capitalized interest not previously paid shall be paid on the Maturity Date. LIBOR shall be subject to a cap of 2%.

Mandatory Prepayments: Mandatory prepayments of principal shall be made by the Reorganized Debtors if the average of the Reorganized Debtors’ unrestricted consolidated Cash as of the last day of each of the two immediately preceding consecutive quarters is greater than \$15 million or if the unrestricted consolidated Cash as of the last day of the immediately preceding quarter is greater than \$15 million, in each case, after the payment of interest due on the New First Lien Notes.

Covenants: Customary affirmative and negative covenants for facilities of this type, including but not limited to financial covenants and covenants limiting other indebtedness, off-balance sheet financing, liens, investments, guaranties, restricted junior payments (dividends, redemptions, and payments on subordinated debt), mergers and acquisitions, sales of assets, capital expenditures, transactions with affiliates and conduct of business, subject to exceptions and baskets to be mutually agreed by the parties.

Senior Revolving Loan and Letter of Credit Facility: The New First Lien Notes shall contain provisions permitting the Borrowers to incur up to \$10 million in secured indebtedness senior to the New First Lien Notes in the form of a working capital revolving loan and letter of credit facility, subject to the satisfaction of the terms and conditions set forth in the New First Lien Notes Documentation.

Events of Default: Customary for facilities of this type, including but not limited to failure to make payments when due, defaults under other agreements or instruments of indebtedness, noncompliance with covenants, breaches of representations and warranties, bankruptcy, judgments, invalidity of guaranties, impairment of security interests, and change of ownership.

Other Terms: The New First lien Notes shall include without limitation a default rate of interest, optional, increased costs or reduced returns, conditions precedent to closing, representations and warranties, assignments/participations, amendment, waiver, and required lender provisions, in each case, customary for facilities of this type.

Documentation: The New First Lien Notes Documentation shall be in form and substance acceptable to the First Lien Steering Committee.